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EFFECT OF SOCIAL AND ENVIRONMENTAL PERFORMANCE FINANCIAL PERFORMANCE OF THE COMPANY

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ABSTRACT: *The purpose of this study is an attempt to explain the test empirically, social performance and environmental performance to financial performance (relevant, accurate, timely and complete) to develop a theoretical framework as the basis for the hypothesis as an answer to the research question, namely, the extent to which mamana: (1) the effects of social performance against the financial performance, (2) the effect on the environment performance to financial performance. Corporate social responsibility or Corporate Social Responsibility (CSR) is an idea that makes the company no longer faced with the responsibility that rests on a single bottom line is the value of the company is reflected in its financial condition, but the responsibility of the company should be based on the triple bottom lines which also pay attention to the dimensions of economic, social and environment that will guarantee the value of the company to grow in a sustainable manner.*

KEYWORDS: Social Performance, Environmental Performance, Financial Performance

INTRODUCTION

History of accounting developments occurring after the industrial revolution using accounting reporting as a means of accountability to shareholders, resulting in more aligned orientation of the company to shareholders. Alignments company to the owners of capital have led companies to exploit natural resources and society (social) in an uncontrolled manner, resulting in damage to the natural environment and ultimately disrupt the lives of humans. Environmental pollution is a global phenomenon, in many areas of the various parts of the world, great environmental pollution has reached alarming levels. Adverse human health, lower productivity of the economy and cause the loss of enjoyment of life. Today, consumers are demanding companies to meet the standards of health and safety standards for workers, respect for human rights, protecting the interests of consumers and meet environmentally friendly standards. One of the important issues arise as a result of globalization and privatization paradigm is social responsibility of companies. Environmental responsibility has become one of the most important fields of responsibility social. "The implementation of corporate social responsibility (CSR) began to grow rapidly in the period 1970-1980, companies that have implemented CSR programs during this period began to look for a model of CSR that can measure the impact of CSR on society and the extent to which the implementation of CSR as a social investment contribution to improving the financial performance of the company. Since the United Nations to promote Global Reporting Inisiatives (GRI) in 1997 and the Global Compact in 1999 has encouraged businesses and global corporations to fulfill its social responsibility and the environment, causing the reporting and disclosure of social information either through the medium of financial reporting, annual reports, as well as through web companies increased. Corporate Social Responsibility or Corporate Social resposibility (CSR) is a mechanism for an organization to

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voluntarily integrate social and environmental concerns into its operations and interactions with stakeholders, which exceeds the responsibilities of organizations in the fields of law (Ali Darwin, 2004). Social responsibility the company disclosed in a report called Sustainability Reporting. Sustainability Reporting is reporting on economic policy, environmental and social, influence and performance of the organization and its products in the context of sustainable development (sustainable development). Sustainability Reporting covers reporting on economic, environmental and social influences on the performance of the organization (ACCA, 2004). "Research Pfleiger et al (2005) showed that environmental conservation efforts by the company to bring a number of advantages, including the interest of shareholders and stakeholders on corporate profits as a result of responsible environmental management".

In addition to the social aspects, the environmental aspects to the attention and spotlight, especially because of the growing phenomenon of global warming and also more environmental damage that occurred. People believe that companies should be more responsible for the environment because of the company or industry is a major source of environmental damage (Salma, 2003). The link or connection between environmental performance and financial performance has also been a debate among researchers and business people. Most believe that the capital markets and market products / services will respond positively to the company or its products / services that are environmentally friendly, and thus the environmental performance will have a positive influence on the financial performance (Susi Sarumpaet, 2005). The environmental performance illustrates the company's achievements in managing the interaction between the activities, products and services company with its surroundings (Salma, 2003). The size can be either the environmental impact (waste disposed, the level of pollution / contamination, land damaged), compliance with environmental regulation, or other measure (Lako, 2011). Companies interested in improving environmental performance with the ultimate goal to improve profits earned, as stated by Donovan (2002) that the current industry became very concerned with aspects of the environment because they believed their influence on the company's finances. Internal financial information the company accounting data that can be sales, profit margin, operating income, assets, and others. While external financial information in the form of studies by analysts and financial consultants published. In addition to financial information, non-financial information can also be used as the basis for measuring the performance of companies, such as customer satisfaction on service companies (Ghozali and Chariri, 2007)

The company's activities to the economy and development in general have a positive impact for the betterment of the nation, but also has a negative impact caused conflict between communities or stakeholders with the company so that it appears the so-called social and environmental responsibility. In Indonesia, the negative impact of the company's activities has frequently occurred that resulted in the destruction of the environment, such as water pollution, deforestation, air pollution, and the other to the detriment of the financial masyarakat.Laporan as corporate responsibility reports to owners and creditors is not yet sufficient. Corporate entities are not only required to generate profit as much as possible for the entity but are also required to produce the maximum benefit for the public and social environment. However, until now the reporting and disclosure of social-environmental accounting information in financial reporting is still being debated internationally. This prompted the International Standard Organization (ISO) published ISO 14000 on enviromnetal standard intends to memabantu the business world in order to run private

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voluntary manage environmental responsibilities them and ensure that policies, procedures and practices in line with targets and the company's environmental goals (Lako, 2011: 156).

This has led to strong reactions from a number of businesses and objections by making CSR as an obligation would increase the burden for businesses and disrupt the business and investment climate in Indonesia. Viewed from a cost perspective, CSR will be a periodic obligations such as paying taxes resulting company will also increase the burden. The increased burden on companies will lower the net profit will be so firm that will further reduce the level of corporate profits. The decline in profits or increased losses the company will detrimental to shareholders as dividends received will be reduced. Several studies have been done on the social performance of companies, for example by Suratno (2006) examined the possible relationship between social performance and financial performance in the banking sector. In the study the sample is national and international banks, and finally examine the correlation between social performance (using proxy ethical ratings) and financial performance (using proxy market and accounting ratios). The results indicate that there is no statistically significant relationship that indicates a positive or negative between social performance and financial performance of the companies in the industry perbankan.Sebagian modern fully aware that environmental and social issues are also an important part of the company (Pfleiger, et al, 2005) ,

Salma (2003) stated that the issue of environmental conservation is the duty of individuals, governments and corporations. As part of the social order, the company should report its environmental management in the annual report. This is because the three aspects of issues related to the interests of the sustainability of economic, environmental, and social performance. The problem today, environmental reporting in the annual report in most countries is voluntary, including Indonesia. Various studies related to the disclosure of corporate social responsibility shows the diversity of results. Results of tests performed by Pfleiger, et al, (2005) the financial performance and the size of the company's proxy ROA shows a positive influence on the disclosure of corporate social responsibility. Meanwhile, Lindrianasari (2007) found that environmental performance is a significant positive effect on the disclosure of environmental and economic performance is positively associated with environmental performance and environmental disclosure. Results were not in line with the results of tests performed by several other researchers as research conducted Rakhiemah et al (2009) who found that there was no influence of environmental performance and disclosure of CSR to the company's financial performance. The difference of this study with previous research are mostly found in the samples taken, while research and measurement techniques variables. This study replicates research conducted by Novita (2008) who took the period 2008-2010 with a sample of 36 companies listed on the Stock Exchange which follow PROPER. Fitriyani measure environmental performance using PROPER, disclosure CSRI CSR and financial performance using ROA and return industry. In this study the financial performance using four measurement techniques that the ratio of liquidity ratios, solvency ratios, activity ratios, and profitability ratios.

Understanding Social Performance

The challenge of building sustainability in managing the business establishment of the Corporate Social Responsibility / Corporate Social Responsibility (CSR). In managing the Corporate Social Responsibility, there are two strategies that can improve social performance, like two sides of a coin. On the one hand, social performance improvement strategy aims to meet legal obligations to stakeholders. This prompted the Company, as a

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state, to perform the management of positive and negative impact on the operations of the business, in accordance with government regulations, namely CANDY SOE No. 05 / MBU / 2007. In addition, the Corporate Social Responsibility (CSR) also refers to the principles of ISO 26000. On the other hand, social performance improvement strategy is realized through the principle of involvement of all stakeholders (stakeholders inclusivity) and community development. In this case the Corporate Social Responsibility (CSR) aims to meet the needs of stakeholders who depend on the capability of the Company, including respecting the right of the community, know the characteristics of the community to interact, recognizing 'the value of labor' in partnering and investing social to generate added value for the community. from the results of the study of literature is relevant understanding of the concept of Corporate Social performance (KSP) starts from the writing that was developed by Carroll (1979). The expert stated that Corporate Social Performance (KSP) is a multidimensional construct that includes four components, among others:

1. Responsibility economy towards consumers and investors;
2. The legal responsibilities to the government or the judiciary;
3. The responsibility of ethics to the public (society) and
4. Responsibility policy to the community

Subsequently Model "corporate social performance", which was developed by (Donovan, 2002), offers a conceptual blend of existing development, in an effort to provide academic put the concept of CSR in a broader sense overall. However, the main purpose of the model of Corporate Social Performance (CSP) is to put the attention Ackerman and Bauer's focusing its attention on the result: term performance speak about actions and results, not the interaction or integration ", hereinafter Carroll (1979) defines it as follows:" Corporate Social Performance (CSP) as meeting at a certain moment in time on three dimensions: the principles of CSR, which will be held in four different levels (economic, legal, ethical, and discretionary); the total number of social problems facing the company (eg, racial discrimination, etc.); and the philosophy underlying the response, which can range along a continuum going from anticipating problems the company to the immediate rejection of responsibility imposed on all companies ". Most of understanding, environmental aspects are rarely mentioned because of the perspective of Corporate Social Performance (CSP) has included environmental aspects therein.

Social Performance Measures

In the assessment of CSP are known several ways to measure social performance. Igalens and Grons (2005) states that there are five approaches to measuring the social performance of companies, namely: Analysis of annual reports, indicators of pollution, Survey (questionnaire) companies, data that companies provide similar thing stated by Cochran and Wood Fauzi (1991) which found: "There are two generally accepted methods for measuring the CSP is content analysis and reputation index. This research will use this type of approach to measuring the contents of the annual report with the aspects of social responsibility assessment issued by the Global Reporting Initiative (GRI) obtained from the website www.globalreporting.org. GRI standard chosen because it focuses on disclosure standards of performance of various economic, social, and environmental companies with the aim to improve the quality, rigor, and the use of sustainability reporting ". In the GRI standard (2006) performance indicators are divided into three (3) main components, namely economic,

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environmental, and social. Aspects of social performance indicators in accordance with the GRI that covers are human rights, employment practices and work environment, product responsibility, and community. Total performance indicator reached 79 indicators, consisting of 9 economic indicators, 30 environmental indicators, 14 indicators of labor practices, human rights indicators 9, 8 social indicators, and 9 indicators of product liability.

Environmental Performance (Environmental Performance)

The biggest risk facing businesses is the potential threat of environmental damage that could disrupt the ecosystem around the company. This fact is very conscious company that seeks to be the company's operations in all business units run according to good practice and in line with applicable regulations, both from planning and once completed, if it is contrary to the current regulations will affect the company's environmental performance. There are several definitions that can be used as a reference about the environmental performance or environmental performance. (Salma, 2003) defines environmental performance as follows: "The company's achievement in managing any interaction between the company's activities, products or services and the environment."

While Lober (1996) explains that environmental performance is: "How well an organization meets its stated goals (output-bassed approach), how organizations capture resources to gain competitive advantage (system resource-based approach), information flows and employee communication (internal processes-based approach), and the degree to roomates stakeholder needs are met (strategic constituency-based approach) ". Both of these definitions implies that line. Bennett and James (1999) emphasizes the company's environmental performance as an achievement in managing the interactions or relationships between activities, products or services of the company with the environment. The Lober (1996) focuses on how well companies manage the various dimensions relating to the environment. Thus it can be said that the environmental performance shows the performance achieved by the company in relation to the environment.

Environmental Performance Measures

In literature and accounting research , indicators are used as benchmarks for environmental performance varies greatly . One review of the literature to determine the size of the environmental performance made by Lober (1996) . In line with the definition put forward , Lober (1996) created a matrix to describe the size of the environmental performance of companies consisting of four dimensions , as shown in the following picture:

Table : Environmental Performance Measures

	Internal	**External**
Process	Organization systems	Stakeholder Relations
Outcome	Regulatoy Compliance	Environmental Impact

Source : lober (1996)

This matrix presents a framework for organizations to measure the environmental performance into four dimensions that are useful for a wide range of different stakeholder groups. Dimensions describe the characteristics of the structure and program of the company, including written policies, internal control mechanisms, communications, public relations,

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training and incentives. Wells et al. (1994) in Ilinitch et al. (1998) explains that the process of measuring how effective environmental management system works and can be a leading indicator of the final outcome of environmental performance. In addition to internal, dimensional process must also be seen from an external viewpoint. This process involves relationships with stakeholders such as employees, customers, and others. The dimensions of outcome describes the achievement of tangible results and can be calculated as the rate of pollution, sewage spills, violations of the laws and regulations, and fines are paid. According to Verma et al. (2001), environmental performance measures should be objective, accurate, and well worth it in order to meet and represent the interests stakeholders. Patten (2002) states that the measurement of environmental performance must meet three requirements: (1) represent the environmental impact caused by the company, (2) use or are based on the same size for all companies studied, and (3) data were available for sampling selected. generally an indicator focused on the dimensions of the environmental impact (environmental impact) posed as the amount of waste produced (Cormier and Magnan, 1997; Patten, 2002) and the amount of waste treated (Verma et al., 2001; Al-Tuwaijri et al., 2004; Clarkson et al., 2008). The amount of waste that is treated as a measure of environmental performance that is used by Verma et al. (2001); Al-Tuwaijri et al. (2004); Clarkson et al. (2008) is a TRI (toxic releases index). Several other studies using dimensions compliance with the law (regulatory compliance) in each country, either in the form of compliance on an individual basis as done by Mobus (2005), and the uses to rank the environment created by an external agency such as that done by Ingram and Frazier (1980); Freedman and Jaggi (1992); and Fekrat et al. (1996) which uses pollution index based Counsil on Economic Priorities (CEP) in the United States. This size is the ranking list of companies based on the level of compliance with the 13 (thirteen) important environmental issues in the United States. The list is issued and published every four months. Meanwhile, Salama (2005) used an index reputation of a company created by Britain's MAC (Most Admired Companies) as a proxy for measuring the environmental performance of companies. Henri and Journeault (2010) uses the size of the complete environmental performance based on the matrix developed by Lober (1996).

Based on the four dimensions that include dimensions of internal and external processes as well as the dimensions of the outcome of internal and external, Henri and Journeault (2010) to develop indicators of cost reduction, increased productivity, improved product quality, relations with stakeholders, emissions control, and waste treatment to measure environmental performance. In Indonesia, almost all such studies by Susi Sarumpaet (2005); Ignatius Bondan Suratno et al. (2006); Wiwik Utami (2007); and Luciana Spica Almilia and Dwi Vitello (2007) to measure environmental performance with a dimension of compliance with regulations set forth in the rankings. Assessment in ISRA conducted by the observance company to meet the various criteria set out in the legislation in force and the implementation of various activities related to management activities (beyond compliance). At this time, this research focuses on social performance and environmental performance measurements were performed based on the measurement and disclosure aspects of social performance aspects of environmental performance in accordance with GRI.

Theories Related

This research revolves around the berkaiatan with the influence of social performance, environmental performance to financial performance of the company, the basic teory used emphasizes the importance of the company concerned and carry out social responsibility and the environment appropriately and consistently have the same perspective to the theory of

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corporate accountability is a theory stakeholder, legitimacy theory, the theory of corporate sustainability, and the theory of political economy.

Stakeholder theory (Stakeholder Theory)

Stakeholders are all internal and external parties who have a good relationship are affecting or affected, are directly or indirectly by a variety of decisions, policies, and operations perusahaan.Teori stated that the success and the life and death of a company depends on its ability to balance diverse interests of the stakeholders or stakeholder. If the company is able to balance the interests of the stakeholderini, the company will receive ongoing support so as to increase growth in market share, sales and profits. Stakeholder theory perspective, society and the environment is a core stakeholder companies to be aware (Lako A, 2011: 5).

Freeman (1984) in Ten (2007) states that the term stakeholder was first introduced by the Stanford Research Institute to explain "a group without its support, the organization will cease" (Reviews those groups without Whose support the organization would cease to exist). This viewpoint is the assumption that a company's success depends solely on the maximization of shareholder wealth (stockholder) become irrelevant, since the existence of a corporate entity is basically a contract between the company and various other parties (Jensen and Meckling, 1976). Stakeholder theory is used as a basis for analyzing the group to whom the company should be held responsible. This theory states that companies need the support of stakeholders to continue their existence (Gray et al., 1995a). The main argument of this theory is that the company's success relies heavily on management's success in managing relationships with its stakeholders (Ten, 2007).

Birkin and Woodward (1997) states that stakeholder theory basically involves how an organization manages its stakeholders. Jawahar and McLauglin (2001) in Yusoff and Lehman (2005) argues that the organization will use different strategies to deal with different stakeholders and strategies may be changed from time to time. This is consistent with the assumption in the stakeholder theory is that the company has the ability to affect not only the general public but of different stakeholders in particular (Ten, 2007).

Meanwhile, Ullman (1985) stated that stakeholders also have the ability to control or influence the company's resources. That power can be obtained through access to workers or employees, access to the media, or the effect on the consumption of products and services company. However, the strength of the relationship between stakeholders and the company is not the same for every company (Deegan et al., 2000). Furthermore, Gray et al. (1996) explains that information is one of the major media or means that can be used by organizations to manage (or manipulate) the stakeholders in order to gain the support and acceptance of, or to divert opposition and rejection. Ullmann (1985); Roberts (1991); and Clarkson (1995) states that the social and environmental disclosure can be used to respond to stakeholder needs for information society and environment.

Legitimacy Theory (Legitimacy Theory)

This theory states that the company and the surrounding community have close social relations as both are engaged in a "social contract". Social contract theory states that the company's presence in an area for political support and guaranteed by government regulations as well as the parliament is also a representation of the community. Thus, there are indirect social contract between the company and the communities in which society assigns costs and benefits for corporate sustainability (Lako A, 2011: 6). Social contract (social contract) was

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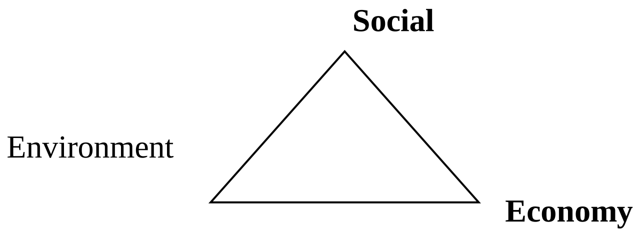
made as the media to set the order (order of) social life of the community. The theory of legitimacy is an enterprise management system that is oriented in favor of the community (society), individual governments and community groups. For that, as a system that emphasizes alignments to society, the company's operations should be in accordance with the expectations of society.

Theory Triple Bottom line

Elkington (1999) introduces the term Triple Botton Line in 1994 and developed the 3-P formulations, these formulations are comprised of social criteria that can determine the success or failure of a company, ie environmental, social and economic better known as the triple bottom line. These three factors are interrelated to each others. Socially responsible companies that want to have to pay attention to all three of these factors and find a balance among factors while applying the principles and business strategies .



Picture *Triple Bottom line*

Source : Elkington (1999)

When mepertahankan balance between profit, people and the earth, the benefits can be seen as a requirement for social was responsible. This is due to an action taken if the company does not aim to create value for the company, such action is not of strategic action in creating a competitive advantage. Manuasia aspect focuses on attention to social aspects and factors of nature through environmental issues.

Eco-efficiency

Eco-efficiency describes the relationship between environmental performance and financial performance (Birkin and Woodward, 1997). Eco-efficiency claims that it is possible for companies to improve productivity and further reduce costs by improving environmental performance (Stone, 1995; Bebbington, 2001; Lehman, 2002). According Burritt and Schaltegger (2001) the size of the eco-efficiency is the ratio between income earned and the environmental impact (measured by the natural resources consumed, the emissions produced, or environmental damage inflicted). Great value ratio indicates eco-efficiency is good, otherwise of little value indicates that buruk.bHansen eco-efficiency and Mowen (2007: 778) states that there are at least three messages carried by eco-efficiency. First, improved environmental performance and financial performance can and should be complementary. Secondly, improved environmental performance should not be viewed as a good deed or generosity but should be viewed as a matter of increased competition the company. Third, eco-efficiency complement and support sustainable development. Furthermore, Hansen and Mowen (2007: 779) explains that the purpose of eco-efficiency is increased efficiency derived from improved environmental performance of companies. This increased efficiency

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is driven by six things. First, customers prefer products that process, use and disposal of environmentally friendly and this will increase sales. Second, workers prefer to work in a company responsible for the environment and it will increase productivity. Third, the company responsible for the environment tend to get external benefits such as lower capital costs and lower insurance rates. Fourth, better environmental performance will bring social benefits such as surrounding communities healthier. Fifth, focus on improving the environmental performance would encourage managers to innovate and look for new opportunities to produce products that are environmentally friendly but still efficient. Sixth, the reduction of environmental costs can increase competitive advantage (competitive advantage). According to Burnett and Hansen (2008), eco-efficiency also affects the accounting and reporting practices at the company. If the company wants to improve its environmental performance, the accounting must be involved in it to perform the functions of collection, calculation, analysis and reporting of environmental costs and other transactions relating to the environment that can be used by management to manage the environment.

CSR (Corporate Social Responsibility)

Corporate Social Responsibility (CSR) is now implemented by many companies, experiencing the evolution and metamorphosis in a long time span. Until now CSR as a concept not yet have a single definition. The definition of CSR has often raised by many experts, including the definition put forward by Magnan and Ferrel (2004) which defines CSR as "A business acts in sociallly responsiblemanner when its decision and account for and balance diverse stakeholderinterest". This definition emphasizes the need to give attention to be balanced against the interests of various stakeholders are diverse in every decision and action taken by the business through behavior that is socially responsible.

Mc Williams and Siegel (2001) defines Corporate Social Responsibility as an action arising from some aspects of social good, beyond the interests of the company, and required by law. Meanwhile, according to Darwin (2004) CSR is a mechanism for an organization to voluntarily integrate social and environmental concerns into its operations and interactions with stakeholders, which exceeds the responsibilities of organizations in the field of law. CSR seeks to give attention to social life as described Farmer and Hauge (1985) in Wahyudi (2008: 54), as follows. "Social responsibility action by a corporation are action that, when judge by society in the future, are seen to have been maximum help in providing necessaryammounts of desired goods and service at minimum financial and social cost,distributed as equatably as possible”. The essence of the notion of CSR by Farmer and Houge more emphasis on the company's commitment to be able to provide what the public wants. So the company can not only supply goods and provide services to the purchaser of the goods, but also help solve problems around the community.

This relates to the definition given by the World Business Council for Sustainable Development (WBCSD) in 1991 which is a global association that consists of about 200 companies specifically engaged in "sustainable development" (sustainable development) stating CSR as: " the continuing commitment by business to behave ethically and Contribute to economic development while improving the quality of life of the workforce and their families as woolly as of the local community and society at large. "CSR is an ongoing commitment by business to act ethically and give contribute to the economic development of the local community or society at large, along with an increase in the living standards of workers and their entire family. the European Commission in Susiloadi (2008) defines CSR as "Essentially a conceptwhereby companies Decide voluntary tocontribute to better society and a cleaner environment." this definition emphasizes that CSR is a concept that demonstrates how companies voluntarily contribute to the creation of a better society and a cleaner environment. According to the Law of the Republic of Indonesia Number 40 Year 2007 regarding Limited Liability Company, the definition of social responsibility is: "The Company's commitment to participate in the sustainable economic development to improve the quality of life and environment is beneficial, both for the company itself, the local community and society at generally".

Social and Environmental Accounting

The emergence of social accounting can not be separated from the consciousness of the company against other purpose other than to maximize profits for the company. Companies realize that they are always in contact with the various controversies and social problems that the company began to notice a link to this sosial.Sekarang environment companies are faced with global competition with a rapidly changing environment. Capitalist economy that used to only emphasize the aspect of macro-scale growth and sustainable profit maximization on a scale enterprise which in practice often ignore the social and environmental interests, slowly but surely have started to adopt social values.

Lindrianasari (2007) Social Accounting is defined as the process of selecting variables, size and measurement procedures of social performance level of the company, which systematically develop useful information for evaluating the performance of social concern, both inside and outside the company. The application of accounting social accounting social science community that includes science, political science and the science of economics. Environmental accounting is a term that seeks to specify the financing of the company and the government in environmental conservation in heading "environment" in the company's business practices and government. Noor Rakhiemah et al (2009). Social and environmental accounting has long been a concern accountant for the accounting firm needs to submit information on social activities and environmental protection to the stakeholders of the company. Corporate Social Responsibility as a concept of a new accounting is transparent disclosure of social activity or social activities undertaken by the company. Transparency is expressed not only the company's financial information, but also expected to disclose information about the social and environmental impacts resulting from the company's activities.

Accounting for social responsibility is an extension of the accountability of the organization (company) outside the bounds of traditional financial accounting, which is to provide financial reports not only to shareholders, especially shareholders. This expansion is based on the assumption that the company has broader responsibilities and not just making money for shareholders but also responsible to all stakeholders. While in the field of environment, environmental performance can be done by applying environmental accounting. Environmental accounting is the recognition and integration of the impact of environmental issues on traditional accounting system of a company. Environmental accounting not only calculate the economic costs and benefits of the company, but also take into account the environmental cost which is the negative economic externalities or costs arising out of the market.

The financial statements as an accountability report to the company's owners and creditors is not yet sufficient. Corporate entities are not only required to generate profit as much as possible for the entity but are also required to produce the maximum benefit for the public

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and social environment. However, until now the reporting and disclosure of accounting information social-environmental in financial reporting is still being debated internationally for the International Accounting Standards Committee (IASC) as a body that has the authority to issue accounting standards internationally have not been able to establish accounting standards of social-environmental generally acceptable for the accounting, reporting, and disclosure of socio-environmental accounting information (Lako A, 2011: 156). Social responsibility accounting in its application in accordance with the above explanation, difficulties, particularly in measurement issues and social elements in order of presentation in the financial statements that is quantitative. Measurement problems arise mainly because not all social elements can be measured in money and not the presence of a standard accounting standards on the measurement and reporting on the implementation of corporate social responsibility.

Disclosure of Social Responsibility and Corporate Environment

Disclosure of corporate social responsibility which is often also referred to as social disclosure, corporate social reporting, social accounting, or corporate social responsibility is a process of communicating the social and environmental impacts of economic activities of the organization to specific groups concerned and on society as a whole. Titisari (2010: 6) defines social disclosure as a reporting or delivering information to stakeholders about all the activities of companies related to their social environment. It expands the responsibilities of organizations (especially companies), beyond its traditional role to provide financial reports to shareholders, especially shareholders. The results of research in various countries proves that the annual report (annual report) is an excellent medium to deliver social and environmental responsibility of companies. Disclosure statements social and environmental information reported in the annual report known as the widely used sustainability reporting or sustainability reporting. Sustainability reporting is the practice of measurement, disclosure and accountability efforts of the organization's performance in achieving the goals of sustainable development to internal and external stakeholders.

Xiaomei (2004) explains that the statements or disclosures may be made in three forms namely environmental information in the financial, physical environmental information and environmental ratings information. Environmental information is financially based on the calculation of the environmental accounting and size of the company's environmental impact in monetary terms. Information reported contamination of the physical environment. Ratings information is information about the company's rating in environmental performance made by parties outside the company. Disclosure of environmental information in the annual report is one of the effective methods of disclosure for this report are the main source of information for investors, creditors, customers, employees, environmental groups and government (Patten, 1992; Gamble et al., 1995). This report is also a medium for companies to publish all the information about the companies that need or deemed necessary by the company to be publicly known, including information about the environment, issued periodically, made by almost all companies, as well as easy to read and compared (Gray et al., 1995b). Guthrie and Abeysekera (2006) says that the company's annual report can be viewed as a means in which the company delivered its image to the public through voluntary report thus confirms the role of the annual report to build and present a reality of the life of the company. Therefore, the current annual report is still the media disclosure of environmental information is important and widely used by companies (Guthrie et al., 2008). In the annual report, environmental information is often placed on the audited financial statements (audited financial statements),

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management discussion and analysis (management discussion and analysis), letters to shareholders (letter to shareholders) and a review of the company (corporate overview) (Buhr, 1994). In addition to the annual report, the company also disclose environmental information on press releases, business magazines, and brochures companies (Buhr, 1994).

Disclosure comprehensive Corporate Social Responsibility (CSR)

Voluntary disclosure is one way to enhance the credibility of financial reporting danuntuk assist investors in understanding the company's business strategy. Do their voluntary disclosure of information asymmetry that lead to imperfections information. In Indonesia, extensive disclosure of CSR (environmental disclosure) is included into the category of voluntary disclosure. It can be seen from SFAS No. 1 (revised 1998) regarding the presentation of financial statements in the additional information section. SFAS No. 1 shows that companies in Indonesia given the freedom to disclose or not to disclose environmental information in its financial statements. Therefore, there are companies that disclose environmental information in its financial statements, and there are companies that do not disclose it. Although including voluntary disclosure, awareness is now a public company in Indonesia to conduct environmental disclosure began to unfold with increased kesadaranakan Corporate Social Responsibility.

In addition, Act No. 40 Year 2007 regarding Limited Liability Company ("Company Law") and Government Regulation No. 47 of 2012 on Corporate Social Responsibility and Environment Company Limited ("Regulation 47/2012") Regarding Social and Environmental Responsibility or Corporate Social Responsibility, under Article 74 of the Company Law and explanation. These settings apply to the company. Under Article 1 point 1 of the Company Law, the Company (Limited Liability Company) is a legal entity which is a capital alliance, established under the agreement, engage in business with a capital base that is entirely divided into shares and meet the requirements set out in this Act and its implementing regulations.

Social Performance (Corporate Social Performance-CSP) and the Environmental Performance (Environmental Performance)

Improved social performance carried out to fulfill the legal obligations to stakeholders. This prompted the Company, as a state, to perform the management of positive and negative impact on the operations of the business, according Orlitzky (2000) social performance of companies (Corporate SocialPerformance-CSP) is defined as "a configuration of principles of business organizations of social responsibility, the process social responses, and the policies, programs, and results can be observed as these relationships to the company's relationships in society. Meanwhile, according to Karimi in Septiadini (2010) corporate social performance is the assessment of a company's performance seen from a social role CSR plays in society. The more a company implements CSR well, the corporate social performance will increasingly terangkat.Hasil expected, would return to the company in the form of public support and the strengthening of social factors on the management and sustainable development (sustainable development) from the public on the company concerned.

The environmental performance

Environmental conservation efforts, known as the environmental performance carried out by the company to encourage the emergence of environmental accounting practices as a means of accountability or public accountability of effort the company (Rura, 2006). Environmental

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performance is the performance of the company in creating a good environment (green) (Suratno et al., 2006). Companies pay attention to the environment as a form of responsibility and the company's concern environmental lingkungan.Kinerja according to Sturm (1998) in Purwanto (2000) defined as "measurable results of the environmental management system related to control environmental aspects" .Pengkajian environmental performance based on environmental policy, environmental objectives and targets lingkungan.Perusahaan liable to any party that berkepentingan.Selama these companies tend to prioritize the interest of investors, while the interests of other parties, such as employees and society are ignored, considered as externalities to increase the productivity and efficiency of the company for instance to enhance the value of wages suppressed competition to improve the competitiveness of the company and there is no guarantee the continuity of work for casual laborers. In addition, the reduction of labor costs and to the lack job security will benefit the environment posed perusahaan.Masalah owner of the company's operations in the form of destruction of the environment of the company as it is engaged in mining.

Based on previous theoretical discussion, where the company can not be separated from the interests of various pihak.Investor interest in the resources invested in the company. Creditors interested in the recovery of principal and interest on the loan. Government concerned about the company's compliance with applicable regulations so that the interests of society in general does not terganggu.Namun, equally important are the parties which have received less attention, namely employees, suppliers, customers, and communities around perusahaan.Karyawan need to get income and social security. Where possible, employees need education and technical training to improve skills so as to enhance a career in perusahaan.Pemasok interest on debt repayment dagang.Pelanggan perusahaan.Terakhir concerned about the quality of the products, the people living around the company interested in the social and environmental impacts that come from the company's activities.

Global Reporting Initiative (GRI)

Global Reporting Initiatives (GRI) is a network of non-governmental organization that aims to drive sustainability reporting and corporate governance, social and environmental. GRI produces conceptual framework, principles, guidelines and indicators generally acceptable globally to encourage organizations to be more transparent and also to be used to measure and report the performance of social, environmental and economic organization in a media integrated reporting, called Sustainability Reporting. GRI was established by CERES and UNEP in 1997 in Boston (USA), but in 2002 moved its headquarters to Amsterdam. In addition to regulating the principles of reporting and transparency, GRI also arranged on human rights, labor, anti-corruption, environment, and others. Measurement of performance variables of social and environmental performance in this study will use this type of approach of measuring the content of the annual report with the aspects of social responsibility assessment issued by the Global Reporting Initiative (GRI) obtained from the website www.globalreporting.org. Because this study focuses on social performance and environmental performance measurements were performed based on the measurement and disclosure aspects of social performance aspects of environmental performance in accordance with

GRI. GRI Indicators (2006), which consists of three (3) main components of performance, namely economic, environmental, and social. The total reached 79 indicators of GRI indicators, consisting of 9 economic indicators, 30 environmental indicators, 40 indicators of social performance consists of 14 indicators of labor practices, human rights indicators 9, 8

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social indicators, and 9 indicators of product liability. Because the study focuses on the performance of social and environmental performance indicators used the number 70 which consists of 40 items of social performance indicators and 30 items of environmental performance indicators.

Financial performance

Profitability as Financial Performance Measures

Financial performance (financial) companies can be measured from the financial statements issued by the company on a periodic basis which gives a picture of the financial position. The type of financial statement that is commonly known are: the balance sheet that describes the company's financial position, income / loss which describes the Company's operating results and cash flow statements that describe the sources and uses of cash during the period (S Harahap, 2011: 105). Financial statement analysis is everything related to the use of accounting information to make business decisions and investment. Financial analysis is designed for entrepreneurs, investors, and creditors where they have to understand how to read interpret and analyze financial statements. The financial statements report the financial position of the company at any given time as well as during several periods ago (Astuti D 2004: 29).

Financial performance management is used as a guideline for managing the resources entrusted to it. Statement of financial performance prepared to describe the financial condition of the company's past and used to predict the financial future. Financial performance plays an important role because it is used as an indicator of good or bad assessment of financial condition and performance of a company within a certain time. The financial performance is the relative performance of the company in a similar industry that is characterized by the company's annual return (Imas, 2008). The company's financial performance can be interpreted as the achievements that have been realized through the work that has been done to the maximum that has been set out in an income statement, balance sheet and statement of changes in capital that can be used as a measuring tool to determine the financial performance of companies in a given period. Good financial performance will attract the attention of investors to invest because investors do not want to have a high risk in investing.

The financial performance is an indicator often used to measure the success of a company. Some parties considered that the quantitative financial performance must be matched by qualitative performance measures such as balanced scorecard proposed by Kaplan and Norton (1990), but until now the financial performance is still preferred and widely used. Although it has been known for some financial performance indicators contemporary such as economic value added (EVA) and market value added (MVA), an indicator of financial performance traditionally depicting profitability in the form of ratios such as return on investment (ROI), return on assets (ROA) and return on equity (ROE) is still relevant because it is simpler to use, comprehensive, and can be used by all companies (Wheelen and Hunger, 2002: 247). The ratio can not describe manajamen good, but it can create better managers because it can help show things that require further research to develop the company's strategy in the future (Gill and Chatton, 2003: 28).

Various studies environmental accounting, environmental performance and disclosure of environmental information is often linked to financial performance to demonstrate the

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success of the factors relating to the environment to finance companies (Spicer, 1978; Russo and Fouts, 1997; Cormier and Magnan, 1999; Larrinaga and Bebbington, 2001; Richardson and Welker, 2001; Elsayed and Paton, 2005; Susi Sarumpaet, 2005; Earnhart and Lizal, 2006; Elewa, 2007). Other researchers such as Shane and Spicer (1983); Stevens (1984); Freedman and Stagliano (1991); Blacconiere and Patten (1994); Reitenga (2000); Lorraine et al. (2004); Freedman and Patten (2004); Al-Tuwaijri et al. (2004); Burnet and Hansen (2008) relate to the performance of the economy. Actually, the term performance of the economy (economic performance) is more general and financial performance including, but in various studies separation (Cormier and Magnan, 1999). Susi Sarumpaet (2005) stated that economic performance is more often associated with the size of the market-based (market-based measures) to measure often used in the form of market portfolio, the annual return, stock price, market returns, stock market response, the price-earnings ratio, and etc. As for the financial performance associated with the size of the accounting basis (accounting-based measures) in the form of profitability with various size.

Neither size nor market-based accounting basis has advantages and disadvantages of each as a performance measure. But the market based measures can only be used on a public company in which the company's value is measured by the value of its shares (Yusoff and Lehman, 2005). McGuire et al. (1988) found financial performance based accounting is a better predictor for measuring the success of environmental and social management, including its disclosure. Freedman and Jaggi (1982, 1992) states that the company's financial performance in the end is reflected in the income / profit generated. ROI, ROA and ROE is a profitability measure that is most commonly used. ROI and ROA are often used interchangeably because it refers to the same thing, the ratio of profit to assets owned.

The use of Return on Assets (ROA) in Relation to Environmental Management

Return on assets or ROA shows the amount of profits from the company compared to its assets or how efficiently the company uses its assets to generate earnings (Dess and Lumpkin, 2003: 109). According to Freedman and Jaggi (1982, 1992), ROA is a more precise measure for financial performance in relation to environmental management as it relates to the size of the asset or assets owned by the company. Freedman and Jaggi (1982, 1992) explains further that the company's efforts to improve the environmental performance involves investasipada asset sizeable as in equipment for sewage treatment, equipment for pollution reduction, production equipment which can produce end products that are environmentally friendly, and a variety of other assets , so measuring the success of environmental management by ROA can give an idea to the management and other parties regarding the rate of return or profit earned by the number of owned assets including assets for environmental control. In other words, the value of ROA may give clues as to whether investments in various asset control the environmentally efficient or not.

Other researchers are using ROA as a measure of financial performance is Bragdon and Marlin (1972); Spicer (1978); Russo and Fouts (1997); Cormier and Magnan (1999); Elsayed and Paton (2005); Susi Sarumpaet (2005). Spicer (1978) using two bases at once, namely ROA for the size of the accounting basis and the price-earnings ratio for the market based measures. Russo and Fouts (1997) explains that from the viewpoint of resources, improved environmental performance can be achieved through: (1) physical assets and environmental technologies exceed those owned by competitors, (2) development environmental management capability that is unique and superior, (3) intangible resources such as

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leadership reputation in terms of the environment and the ability to influence the public to generate competitive advantage.

Thus, companies that want to improve the environmental performance will proactively invest in assets for pollution reduction. These assets, companies can reduce the pollution generated so that the environmental performance can be improved. As with other financial performance measures, ROA has advantages and disadvantages. Dess and Lumpkin (2003: 102) says that the financial indicators in the form of financial ratios such as ROA can provide a fairly accurate picture of the financial performance and is useful for comparing the performance of several companies with different relative sizes. The resulting ratio value is easy to understand and easy comparison between one company with another company. Similarly, the difference in the method of depreciation is also influential on the level of accounting earnings (Wheelen and Hunger, 2002: 247; Agus Sartono, 2000: 73). However, for the purposes of evaluation and comparison between one company with another company, this measure is considered adequate (Dess and Lumpkin, 2003: 110). Al-Tuwaijri et al. (2004) warned that although the ratios, profitability measures such as ROA is imprecise when used in different industries for companies in different industries have assets with different characteristics and different economic life. In addition, the average value of ROA in different industries will be different. Furthermore, Al-Tuwaijri et al. (2004) states that the environmental performance achieved and the disclosure of environmental information that is carried out in a period should be seen the relationship or influence on the financial performance in the next period because the response of stakeholders such as investors and customers by increasing stock values and new sales will be seen the results of at least the financial statements following periods

Influence of Corporate Social Performance (CSP) Against Corporate Financial Performance (CFP)

Influence between CSP and CFP in direction and causality of the relationship according to Preston (1997) that social responsibility is an important obligation of the company. Given the importance of CSP in corporate decision, the relationship between CSP and CFP is an important topic. Social performance practices that can reduce the costs of financial performance. Consequently, the question arises, which should take precedence performance of social or financial performance. Justification to explain the importance of the energy required by management. There are two important issues according to the O'Bannon (1997) Directions relationship refers kepositif, negative or neutral. The positive direction of the relationship between CSP and CFP occurs when rising CSP lead to an increase in CFP. CSP changes to the CFP changes in how different is the relationship negative direction. If a change in the CSP does not affect changes in CFP, a neutral effect in the direction of the relationship. On causality indicate if the CSP or CFP is an independent or dependent variable. In this case, there are two possibilities: CSP as an independent variable and the CFP as variabeldependen. If the CSP is an independent variable, it will affect the iCFP. If the CSP is a dependent variable, affecting CSP CFP.

This positive relationship between CSP and CFP can be explained in three ways (Waddock and Graves, 1997). First, companies are trying to reduce the implicit costs to act socially responsible, it would increase the cost of explicit and in turn lead to a competitive disadvantage (decline in profits). The second argument of Waddock and Graves (1997) is to use good management theory. According to this theory, corporate social responsibility to improve relations with parastakeholder. This relationship increases competitive advantage and, padagilirannya, improve financial performance. Last argument used by Waddock and

Graves (1997) for this relationship is slack resource theory. According to this theory, the company's financial resources will determine kegiatantanggung social responsibility, because the resources are granted, the company has more opportunities to invest in social responsibility activities. Explanation negative relationship CSP-CFP is based on the theory ekonomineo classical stating that the cost of corporate social responsibility does not need to be considered, because it can lead to a competitive disadvantage, namely the decrease in corporate profits and the wealth of shareholders (Waddock and Graves, 1997 in Fauzi et al., 2009) , Neutral relationship between CSP and CFP when a relationship is only incidentally (Waddock and Graves, 1997). The argument for this relationship is that the company acted responsibly social yangdapat customers provide a different demand curve compared with companies that are less responsible. Therefore, activity that is the only way to achieve differentiation, and thus no impact on the company's profit (McWilliam and Siegel, 2001).

Effect of Environmental Performance to Financial Performance

The company's role in the community of a nation is not only "economic institutions" are pursuing economic goals, but also as a "social institution". As social institutions, companies must undertake social reforms and its economic donate resources to help address the social issues and the environment. Moreover, any increase in the scale of the company's operations will also automatically increase the scale of its negative impact on the environment and society, while its profits only enjoyed the shareholders. This leads to injustice so that businesses and corporations must act fairly to set aside profits to help address social issues and the environment. Although in the short term will increase costs and lower profits, but in the long run will bring economic benefits for the company. For example, the market share expanding as more and more consumer loyalty, business continuity that is safe and conducive for increasing trust of stakeholders, as well as profitability will also increase (Lako A, 2011: 105).

Disclosure of performance (performance) of companies is good news bagipelaku market. Therefore, companies need to disclose information and environmental quality that the company is said to have good environmental performance. From an economic perspective, the company will reveal suatuinformasi if such information would increase the value of the company (Verecchia, 1983 in Sudaryanto, 2011). The Company expected to gain social legitimacy and maximize its financial strength in the long term by implementing CSR (Noor Rakhiemah, 2009). Based on the descriptions written previously, and the problems to be studied, the research can be formulated into a frame of mind as follows:

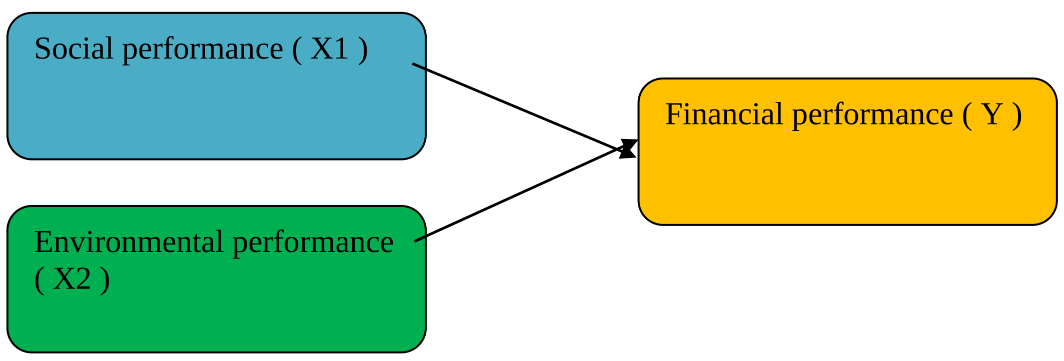

Figure Chart Framework

a) Liquidity Ratios

At this ratio is used lancar.Rasio Current ratio (current ratio) is calculated by dividing current assets by liabilities lancar.Rasio shows the extent to which current assets cover current liabilities. The greater the ratio of current assets to current liabilities, the higher the company's ability to cover short-term obligations.

$$\text{Lancer ratio (CR)} = \frac{\text{Assets lancer}}{\text{Current liabilities}}$$

b). The ratio of solvency / leverage

The solvency ratio used in this study is the DER with the following formula:

$$\text{Total debt to equity Ratio} = \frac{\text{Total Debt}}{\text{Shareholders' equity}}$$

This ratio illustrates the extent to which the owners of capital to cover debts to outside parties. The smaller the ratio is, the better. But for security outside party best if the total capital ratio is greater than or at least the same amount of debt. But for shareholders or the management of this ratio should be big.

c). Activity ratio

Activity ratio used in this study is the ATO with the following formula:

$$\text{Total Assets} = \frac{\text{Net sales}}{\text{Total Assets / Assets}}$$

This ratio shows the total asset turnover measured by the volume of sales in other words how far the ability of all the assets to make the sale. The higher this ratio, the better.

d) Profitability ratios / profitability

Type the profitability ratio used in this study is ROE.Rasio shows what percentage of the net profit obtained when measured from the capital pemilik.Semakin bigger the better.

$$\text{ROE} = \frac{\text{Net profit after tax}}{\text{Average capital (equity)}}$$

2. The independent variable

The independent variables in this study is the social performance (X1) and environmental performance (X2).

a). Social performance

Social Performance is the company's activities in implementing a form of social responsibility in addition to the operations of the company (Zubaidah, 2003). Information regarding disclosure of corporate social responsibility is based on the standard GRI

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(Global Reporting Initiative) so that social performance measurement used to follow the GRI is the social dimension that includes human rights, labor practices and working environment, product responsibility, and community.

To calculate the disclosure of Corporate Social Responsibility approach that every item disclosure of Corporate Social Responsibility in the research instrument rated 1 if disclosed, and the value 0 if it is not disclosed. Further scores from each item is summed to derive the overall score for each company.

$$CSRI_{ij} = \frac{n_{ij}}{k_{ij}}$$

Information:

$CSRI_{ij}$: Corporate Social Responsibility company index j years i

n_{ij} : Number of items disclosed Companies

k_{ij} : The number of items the company j

b) . The environmental performance

Environmental performance is the performance of the company in creating a good environment (green) . Environmental performance measurements used in this study will be represented by the GRI (Global Reporting Initiative) environmental dimension . In the disclosure of the company's environmental performance , researchers looked at whether there is a disclosure of the program or execution of the company's environmental performance contained in Sustanaibility Reporting (SR) or in the annual report . Environmental performance measurements are used to follow the GRI Environmental dimensions are aspects that include : Material ; Energy; Air Biodiversity (Biodiversity) ; Emissions , Effluents and Waste ; Products and Services ; Obedience ; Transportation / Transportation ; Thoroughly. Further scores from each item is summed to derive the overall score for each company .

$$EPI_{ij} = \frac{n_{ij}}{k_{ij}}$$

Information:

$CSRI_{ij}$: Corporate Social Responsibility company index j years i

n_{ij} : Number of items disclosed Companies

k_{ij} : The number of items the company j

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Types and Sources of Data

The data used in this research is secondary data, obtained indirectly through an intermediary media or from records and other sources that have been there before. Sugiyono, (2013) explains that a secondary data source does not directly provide data to data collectors, for example through others or through documents. Secondary data used are the financial statements and report social responsibility (sustainability report) contained in the annual reports of the companies listed on the index Indonesia Sustainability Reporting Award (ISRA) Year 2012-2013 as well as the official website or the website of each company. There are two types of data used in this study, namely the qualitative and quantitative data. Qualitative data were taken from books, journals, theses, previous studies, and Internet sites related to the research theme ini.Sedangkan quantitative data in the form of numerical data obtained from the financial statements and annual reports of companies.

Draft Analysis and Testing Hypotheses

To determine whether or not the influence between dependent and independent variables through intervening variables, it is necessary to test the hypothesis. In order to obtain the results of research in accordance with the purpose of research, it conducted two types of analysis, descriptive analysis to describe the characteristics of the studied variables in order to support troubleshooting for obtaining advice operationally. Then analysis verification. Methods of data analysis used in this research is multiple linear regression model to examine the effect of independent variables on the dependent variable. Model analysis of the influence of social performance and environmental performance to financial performance in this study can be described as follows:

$$\mathbf{Y = a + b_1X_1 + b_2X_2 + e}$$

Y = the company's financial performance as measured by CR , DER , ROE , ATO

X1 = Social Performance

X2 = an Environmental Performance

e = error

RESULTS AND DISCUSSION

The list of participants ISRA 2012-2013 which publishes CSR report are as follows :

Descriptive Statistics Dependent and Independent Variables

The results of descriptive statistics of each variable from 18 companies sampled in 2012 and 2013 resulted in 36 observation data can be seen in the following

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Table: Statistik Deskriptif Descriptive Statistics

	Mean	Std. Deviation	N
Financial performance	32891,7222	13598,14582	36
Social performance	2616,6667	1053,29415	36
Environmental performance	2497,2222	1042,93161	36

Source : Secondary Data Processed in 2015 .

The above table shows that the number of samples used are as many as 21 samples. In addition, in the above table shows that : the average financial performance is 32891.7222 with a standard deviation 13598.14582 ; The average social performance is 2616.6667 with a standard deviation 1053.29415 ; The average environmental performance is 2497.2222 with a standard deviation of 1042.93161 .

Tabel Hasil Uji Multikolinearitas

Model	Collinearity Statistics	
	Tolerance	VIF
Social Performance (X1) Environmental Performance (X2)	.935 .935	1,069 1,069

Dependent Variable: Financial Performance (Y)

Source: Data Sekunder.Diolah.2015.

By using the amount of tolerance (α) and the variance inflation factor (VIF) can be seen that the VIF social performance and environmental performance are 1069 <5 and all the tolerance of independent variable (0935 = 91%) above 5% so it can be concluded that between independent variables did not happen multikolinieritas. Hypothesis testing is done to test whether there is influence between independent variables and the dependent variable is the influence of social performance and environmental performance to financial performance. Testing was done by using multiple linear regression using SPSS. The statistical hypothesis proposed are as follows:

1. The effect on the Social Performance Financial Performance

   Ho: $\rho < 0$, no effect on the Social Performance Financial Performance

   H1: $\rho > 0$, the effect on the Social Performance Financial Performance

2. Environmental Performance effect on Financial Performance

   Ho: $\rho < 0$, the Environmental Performance does not affect the Financial Performance

   H1: $\rho > 0$, the effect on the Social Performance Financial Performance

The structural equation can be seen as follows:

Structural sub Equation 1:

$Y = PY.X1 + e$

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Structural sub Equation 2:

Y = PY.X2 + e

To see the value of the coefficient of each section sub structural views on the value of standardized beta coefficients . Results of statistical hypothesis testing , can be seen in the picture frame of the following research:

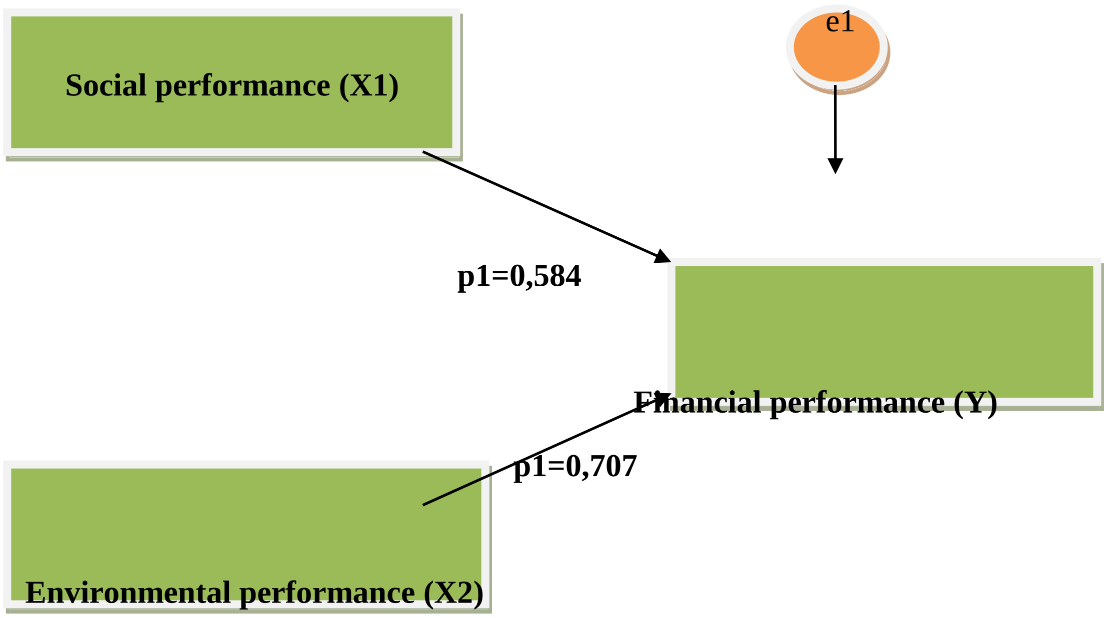

Image Template think research with great influence among variables

Influence of Social Performance Against Financial Performance

Table coefficient between variables

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13172,368	5060,954		2,603	,014
	KinerjaSosial	7,536	1,798	,584	4,192	,000

a. Dependent Variable: KinerjaKeuangan

Sources : Primary data is processed , 2015

From Table coefficients can be seen on the statistical test for PY.X , where the results can be seen in the value of the standardized beta coefficients (p1) of 0.584 with a significant value of 0.000 , which means that the Social Performance has a significant positive effect on financial performance , because the value of alpha have been set at 0.05 greater than the value of statistical test of significance , while the value of the influence of Social performance 58.4 % . To determine the error value equation one can see the value of R to the coefficient of determination .

Table Contributions variables X1 to variable Y

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,584[a]	,341	,321	11202,14587

Predictors: (Constant), KinerjaSosial

Sources : Primary data is processed

The R value of 0.584 thus the value of the equation error of 0.416 (1-.584) , or 41.6 % . From the test results it can be said that the contribution of the Social Performance variables affect the financial performance of 58.4 % while the rest of 41.6 % is explained on other variables not included in this study observation .

Effect of Environmental Performance to Financial Performance

Tabel. coefficient between variables

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	9858,404	4268,252		2,310	,027
	KinerjaLinggkungan	9,224	1,580	,707	5,836	,000

a. Dependent Variable: KinerjaKeuangan

Sources : Primary data is processed , 2015

From Table coefficients can be seen on the statistical test for PY.X2 , where the results can be seen in the value of the standardized beta coefficients (p1) of 0.707 with a significant value of 0.000 , which means that the Environmental Performance has a significant positive effect on financial performance , because the value of alpha have been set at 0.05 greater than the value of statistical test of significance , while the value of the influence of top management commitment is 70.7 % . To determine the error value equation one can see the value of R to the coefficient of determination.

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Table Contributions X2 to variable Y

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,707[a]	,500	,486	9751,43727

a. Predictors: (Constant), KinerjaLinggkungan

Sources: Primary data is processed, 2015

The R value of 0.707 and is therefore an error value equation by 0,293 (1-.707), or 53.9%. From the test results it can be said that the contribution of the variables affecting the Environmental Performance Financial Performance 70.7% while the remaining 29.3% is explained An understanding of the other variables that are not included in this study observation.

Influence of Social Performance to Financial Performance

According Orlitzky (2000) in Anggraeni (2011), the social performance of companies (Corporate Social Performance-CSP) is defined as "a configuration principles prinsiporganisasi business of social responsibility, the process of social responses, and the policies, programs, and the results can be observed as these relationships to the company's relationships in society. Meanwhile, according to Karimi in Septiadini (2010) corporate social performance is the assessment of a company's performance seen from a social role CSR plays in society. The more a company implements CSR properly, then the corporate social performance will increasingly raised. Results are expected, of course returned to the company in the form of public support and the strengthening of social factors on the management and sustainable development (sustainable development) from the public on the company concerned. the concept of Corporate Social Performance (KSP) starts from the writing that was developed by Carroll (1979). The expert stated that Corporate Social Performance (KSP) is a multidimensional construct that includes four components, among others:

1. Responsibility economy towards consumers and investors;

2. The legal responsibilities to the government or the judiciary;

3. The responsibility of ethics to the public (society) and

4. Responsibility policy to the community

Subsequently Model "corporate social performance", which was developed by (Donovan, 2002), offers a conceptual blend of existing development, in an effort to provide academic put the concept of CSR in a broader sense overall. However, the main purpose of the model of Corporate Social Performance (CSP) is to put the attention Ackerman and Bauer's focusing its attention on the result: term performance speak about actions and results, not the interaction or integration ", hereinafter Carroll (1979) defines it as follows:" , Corporate Social Performance (CSP) as meeting at a certain moment in time on three dimensions: the

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principles of CSR, which will be held in four different levels (economic, legal, ethical, and discretionary); the total number of social problems facing the company (eg, racial discrimination, etc.); and the philosophy underlying the response, which can range along a continuum going from anticipating problems the company to the immediate rejection of responsibility imposed on all companies ". Igalens and Grons (2005) states that there are five approaches to measuring the social performance of companies, namely:

1. Analysis of annual reports

2. Indicators of pollution

3. Survey (questionnaire) companies

4. Data provided by the company

Something similar was stated by Cochran and Wood Fauzi (1991) which found:

"There are two generally accepted methods for measuring the CSP is content analysis and reputation index. This research will use this type of approach to measuring the contents of the annual report with the aspects of social responsibility assessment issued by the Global Reporting Initiative (GRI) obtained from the website www.globalreporting.org. GRI standard chosen because it focuses on disclosure standards of performance of various economic, social, and environmental companies with the aim to improve the quality, rigor, and the use of sustainability reporting ". In the GRI standard (2006) performance indicators are divided into three (3) main components, namely economic, environmental, and social. Aspects of social performance indicators in accordance with the GRI that covers are human rights, employment practices and work environment, product responsibility, and community. Total performance indicator reached 79 indicators, consisting of 9 economic indicators, 30 environmental indicators, 14 indicators of labor practices, human rights indicators 9, 8 social indicators, and 9 indicators of product liability.

From the results if the statistical data showed a significant positive effect on the variable Social Performance Financial Performance. Which is a big influence of 58.4% with a significance level of 0.000. This is according to research Preston (1997) on the influence of Social Performance and Financial Performance in direction and causality of the relationship. He said that social responsibility is an important obligation of the company. Given the importance of Social Performance in corporate decision, the relationship between Social Performance and Financial Performance is an important topic. Social performance practices that can reduce the costs of financial performance. This positive relationship between social performance and financial performance can be explained in three ways (Waddock and Graves, 1997). First, companies are trying to reduce the implicit costs to act socially responsible, it would increase the cost of explicit and in turn lead to a competitive disadvantage (decline in profits). The second argument of Waddock and Graves (1997) is to use good management theory. According to this theory, corporate social responsibility to improve relations with stakeholders. This relationship increases competitive advantage and, in turn, improve financial performance. Last argument used by Waddock and Graves (1997) for this relationship is slack resource theory. According to this theory, the financial resources will determine the company's social responsibility activities, because of the resources provided, the company has more opportunities to invest in social responsibility activities.

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Effect of Environmental Performance to Financial Performance

Environmental conservation efforts, known as the environmental performance carried out by the company to encourage the emergence of environmental accounting practices as a means of accountability or public accountability of effort the company (Rura, 2006). Environmental performance is the performance of the company in creating a good environment (Suratno et al., 2006). Companies pay attention to the environment as a form of responsibility and the company's concern for the environment. The environmental performance according to Sturm (1998) in Purwanto (2000) defined as "measurable results of the environmental management system related to control environmental aspects". Assessment of environmental performance based on environmental policy, environmental objectives and environmental targets.

Corporate responsibility is not limited to investors, that provides maximum returns to investors. The public interest and the environment is also a concern of companies as an endorsement of the company's operations. Protecting the environment in addition to the benefit to the community around is also beneficial for companies, especially companies that use the environment and benefit from their environment. From the results if the statistical data showed a significant positive effect on the environmental performance variable Financial Performance. Which is a big influence and 70.7% with a significance level of 0.000. This is according to research Adhima (2012) suggested that the increased disclosure of environmental performance as measured by GRI-G3 Guidelines, the environmental dimension and significant positive effect on the profitability of the company.

Some studies using dimensional compliance with the law (regulatory compliance) in each country, either in the form of compliance on an individual basis as done by Mobus (2005), and the uses to rank the environment created by an external agency such as that done by Ingram and Frazier (1980); Freedman and Jaggi (1992); and Fekrat et al. (1996) which uses pollution index based Counsil on Economic Priorities (CEP) in the United States. This size is the ranking list of companies based on the level of compliance with the 13 (thirteen) important environmental issues in the United States. The list is issued and published every four months. Meanwhile, Salama (2005) used an index reputation of a company created by Britain's MAC (Most Admired Companies) as a proxy for measuring the environmental performance of companies. Henri and Journeault (2010) uses the size of the complete environmental performance based on the matrix developed by Lober (1996). Based on the four dimensions that include dimensions of internal and external processes as well as the dimensions of the outcome of internal and external, Henri and Journeault (2010) to develop indicators of cost reduction, increased productivity, improved product quality, relations with stakeholders, emissions control, and waste treatment to measure environmental performance. In Indonesia, almost all such studies by Susi Sarumpaet (2005); Ignatius Bondan Suratno et al. (2006); Wiwik Utami (2007); and Luciana Spica Almilia and Dwi Vitello (2007) to measure environmental performance with a dimension of compliance with regulations set forth in the rankings. Assessment in ISRA conducted by the observance company to meet the various criteria set out in the legislation in force and the implementation of various activities related to management activities (beyond compliance). At this time, this research focuses on social performance and environmental performance measurements were performed based on the measurement of disclosure the performance aspects of social and environmental aspects of performance in accordance with GRI. GRI Indicators (2006), which consists of three (3) main components of performance, economic, environmental, and social. Aspects of environmental performance indicators in accordance with the GRI is:

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1. Aspects: Material

2. Aspect: Energy

3. Aspect: Water

4. Aspects of Biodiversity (Biodiversity)

5. Aspect: Emissions, Effluents and Waste

6. Aspect: Products and Services

7. Aspect: Compliance

8. Aspect: Transportation / Transportation

9. Aspects: Comprehensive

According Verrecchia in Suratno et al (2006) with discretionary disclosure of his theory as to say they believe that a good environment to express their performance means describe good news for market participants. Therefore, companies with good environmental performance need to disclose the quantity and quality of the environment more than the companies with worse environmental performance.

CONCLUSION

Based on the analysis of the influence of social performance and environmental performance to financial performance of the companies that followed it could be concluded as follows: Improved social performance disclosure positive and significant impact on the financial performance of the company. This condition states that the high social responsibility of companies that demonstrate social performance explains the better performance of social enterprise will be the better financial performance. Improved disclosure of environmental performance and significant positive effect on the financial performance of the company. This condition menyatakanbahwa high environmental responsibility of companies that demonstrate environmental performance is getting better explain the company's environmental performance will be the better financial performance. Based on the research results and conclusions obtained from this study, then there are some suggestions that can be taken into consideration in the future: Should the company continue attention to the implementation of social and environmental responsibility as a form of guarantee for the various stakeholders to meet their expectations. Stakeholders who make up the company's business environment is an important element for the sustainability of the company, therefore, to meet stakeholder needs means that the company maintain its operational sustainability in the long term. The need for supervision and strict legal action against violations of environmental and social performance or CSR in companies in Indonesia so that practices and social and environmental disclosure in the form of CSR and Sustainability Report (SR) in Indonesia is increasing.

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