SIMBA

SEMINAR INOVASI MANAJEMEN BISNIS DAN AKUNTANSI 6

Human Capital and Corporate Social Responsibility (CSR) on Financial Performance

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Abstrak

Penelitian ini memiliki tujuan dalam menguji pengaruh *Human Capital* dan CSR terhadap Kinerja Keuangan. Objek penelitian ini dilakukan pada perusahaan manufaktur yang terdaftar di BEI selama periode 2019-2022 dengan menggunakan pendekatan kuantitatif. Dari total populasi sebanyak 271 perusahaan, sampel diambil melalui *purposive sampling*, dan menghasilkan 91 perusahaan dengan total 364 data observasi. Analisis data dilakukan dengan regresi linear berganda menggunakan SPSS versi 24. Temuan penelitian menunjukkan bahwa *Human Capital* dan CSR memiliki pengaruh signifikan terhadap Kinerja Keuangan, dengan masing-masing variabel terbukti memberikan dampak yang signifikan.
Keywords : *Human Capital, CSR* **,** Kinerja Keuangan.

Abstract

This research aims to examine the effect of Human Capital and CSR on Financial Performance. The object of this research was conducted in manufacturing companies listed on the BEI during the 2019-2022 period using a quantitative approach. From a total population of 271 companies, samples were taken through purposive sampling, and resulted in 91 companies with a total of 364 observation data. Data analysis was conducted with multiple linear regression using SPSS version 24. The research findings show that Human Capital and CSR have a significant influence on Financial Performance, with each variable proving to have a significant impact.
Keywords: *Human Capital, CSR, Financial Performance.*

A. INTRODUCTION

. One of the assessments of financial performance is its finances. Financial performance has a significant influence on operational continuity. Assets refer to the economic value owned by individuals, companies, or organizations that can be assessed financially. (Bafadhal, 2020) . The case that occurred in Indonesia due to the loss of company value and the impact on losses occurred at PT BWM. PT BWM was considered guilty of polluting the environment in its operational area, and as a result, the company was required to bear compensation costs of IDR 4.7 billion (KLHK, 2022) . In another case that had an impact on the loss of company value was PT NTS, which pollute environment with disposal substance hazardous and toxic (B3). To prevent and minimize actions that result in environmental damage to the point of threatening the sustainability of life in society, the Bekasi District Attorney's Office imposed a fine of IDR 200 million (Tristianty, 2024) .

Based on the cases that occur, financial performance can be disrupted due to environmental problems. One of the factors that is considered affect performance finance is Human Capital. Previous studies show that *Human Capital* influence performance finance Because company capable maximize quality source Power man that he has (Hatumena et al., 2024) . Meanwhile, according to (Ratnadi et al., 2021) company No optimally utilize or manage source Power the human being he has, so that existing competencies, knowledge and skills No in a way effective become improvement performance finance. In addition, there are possibility that investment in human capital requires longer time to give real impact to performance finance, so that the effect No direct seen in period time analyzed.

Other factors that influence performance finance is CSR. The results of previous research according to Barauskaite & Streimikiene (2021) indicates that CSR can increase request product as response from consumer to attention company to issue social and community. Improvement request This contribute to the increase income, which is

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ultimately increase profit and reflect performance superior finance. Meanwhile, in the study (Mattunruang & Asmirawati, 2023) indicates that CSR is not influence performance financial because the positive results of CSR are more often seen in the long term, the high cost of implementation is often not comparable to the short-term financial benefits, market perceptions that may not prioritize CSR in assessing company performance, the possibility of a mismatch between CSR programs and core business strategies, and the lack of effective implementation of CSR which can reduce its impact on financial performance.

Based on study Previously, *the human capital* and CSR variables were the results Still happen inconsistency, thing the due to variation in methodology research, and nonconformity in definition as well as operationalization variables, as well as influence factor external like condition economy and regulation government that can influence connection between *human capital* and CSR (Wardita et al., 2021) .

1. **Literature Review and Hypothesis**

Stakeholder Theory

Study Ahyani, R., & Puspitasari (2019) is an approach that emphasizes importance company For consider and fulfill interest various stakeholders interest like customers, employees, investors, suppliers, and the community general in the process of taking business strategy decisions and implementation. This theory to argue that success company not only measured from aspect financial only, but also from his ability For manage relationship and fulfill expectation all parties involved and affected by the activity company. Stakeholder theory in practice *human capital* used For organize and improve management as well as development power Work with objective increase performance as well as create sustainable value in term long (Aruan. et al., 2021) . Then stakeholder theory in CSR activities must notice needs and stakeholders interest like customers, employees, and the community to build good reputation and improve performance long term (Lestari & Lelyta, 2019) .

Human Capital.

Human capital is human capital which is considered as source Power economy that has mark economical Because skills , knowledge and abilities they in the production process, economics, and transactions economy (Ritonga, 2020) . In accordance with *stakeholder theory* that underlies need company For integrate management *human capital* with a strategy that meets interest employees and improve mark company in a way overall (Barney & Harrison, 2020) . In line with studies previously by Kurniawan & Yuliana (2019) show *human capital* influential to performance finance. Hypothesis submitted

H_1: *Human Capital* effect on Financial Performance

Corporate Social Responsibility (CSR).

CSR is A the mechanism by which the organization can responsible answer in a way voluntary with involving integration issue environmental and social to in operational company as well as interaction with stakeholders interests. Approach This can produce more impact significant for society and environment (Rahmi et al., 2019) . Stakeholder theory in CSR can increase innovation and power competitive. Research This show that involvement stakeholder theory can spark new ideas development products and services that can give competitive advantage (Waheed et al., 2020) . In line with the study previously by Damayanti & Septiyanti (2022) shows that CSR has an effect on performance finance . Hypothesis submitted

H_2: CSR effect on Financial Performance

B. RESEARCH METHODS

Study This apply approach based on quantitative For analyzing data that is numbers. The data obtained from *annual* and *sustainability reports manufacturing companies* listed on the IDX. Population study covers 271 companies manufacturing with *purposive sampling* use determination sample, so that obtained sample as many as 91 *manufacturing companies* with 4 years observation, so that 364 manufacturing company data were obtained and 121 *outlier* data were reduced. after normality test with the final total of processed data as many as 243 data.

Measurement Operational Variables .

Table 1. Measurements Operational Variables

No.	Variables	Measurement or formula	Reference
1.	***Human Capital*** **(X1).**	***Human Capital*** : $\frac{Revenue - Operational\ Expense - Employee\ Compensation}{Employee\ Compensation}$	**(Soetedjo & Mursida, 2014)**
2.	***CSR*** **(X2).**	$CSR = \frac{CSR\ Expense}{Total\ Expense}$	**(Li, 2022)**
3.	**Financial Performance (Y).**	$Net\ Profit\ Margin = \frac{EAT}{Total\ Income} X\ 100\%$	**(Fakhrudin & Hidayat, 2018)**

C. RESULTS AND DISCUSSION

1. Statistics Descriptive

Table 2. Statistics Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Human Capital	243	2.90	9.44	5,8499	1.48368
CSR	243	0 .02	0 ,35	0 ,2180	0 ,06680
Financial performance	243	0 .01	0 ,44	0 ,2350	0 ,09775
Valid N (listwise)	243				

Source: Data Processed by SPSS Version 24

Variables *Human capital* own *minimum value* 2.90 at PT. Alkindo Naratama Tbk . (ALDO) 2019. Variable *Human capital* has a *maximum value of* 9.44 found in PT. Wijaya Karya Beton Tbk. (WTON) 2020. Variable *human capital* own the average value is 5.8499 which is more tall compared to with mark deviation the standard of 1.48368 which means that variable *human capital* nature homogeneous or tend No varies.

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CSR variables have *minimum value of* 0.02 at PT. Singaraja Putra Tbk. (HERE) 2022. The CSR variable has *maximum value of* 0.35 in PT. United Tractors Tbk. (UNTR) 2021. The CSR variable has the average value is 0.2180 which is more tall compared to with mark deviation the standard of 0.06680 which means that CSR variables are homogeneous or tend No varies .

Financial Performance Variables own *minimum value of* 0.01 in PT. Unilever Indonesia Tbk. (UNVR) 2020. Variable performance finance own *maximum value* 0.44 in PT. Indospring Tbk. (INDS) 2022. Variable performance finance own the average value is 0.2350 which is more tall compared to with mark deviation the standard of 0.09775 which means that performance finance nature homogeneous or tend No varies.

2. **Hypothesis Testing .**

Research data has fulfil condition *normality test* and not happen *autocorrelation, multicollinearity* and *heteroscedasticity*, so that continued hypothesis testing following :

Table 3. F Test

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0 ,194	2	0 ,097	15,494	0 ,000 [b]
	Residual	1,500	239	0 ,006		
	Total	1,694	241			

a. Dependent Variable : Financial Performance

b. Predictors: (Consta nt), CSR, Human Capital

Source: Data Processed by SPSS Version 24

Significance value from variable independent *human capital* and CSR 0.000 < 0.05 then own the value of the multitan on the variable dependent performance finance . This is indicates the equation model variable independent *human capital* and CSR towards variable dependent performance finance is a fit model (Ghozali, 2018) .

Coefficient Test Determination (R^2).

Table 4. Coefficients Determination (R^2)

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0 ,339 [a]	0 ,115	0 ,107	0 ,07922

a. Predictors: (Constant), CSR, Human Capital
b. Dependent Variable: Financial Performance

The output of the coefficient determination test *($R2$)* in table 4 shows *adjusted $R2$ value* of 0.107 which indicates percentage independent *human capital* and CSR capabilities in to describe variability variable dependent performance finance by 10.7% and 89.3% of it outlined variable addition outside study (Ghozali, 2018) .

Statistic t-test .

Table 5. Statistical t-test

Coefficients [a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	- 0 ,030	0 ,028		-1,075	0 ,284
	Human Capital	0 ,024	0 ,006	0 ,361	4,237	0 ,000
	CSR	0 ,719	0 ,130	0 ,472	5,544	0 ,000

a. Dependent Variable : Financial Performance
Source: Data Processed by SPSS Version 24

Human Capital variable (X1) shows a significance figure of 0.000 < 0.05, which indicates that the *Human Capital variable* (X1) has an effect on the financial performance variable (Y). Therefore, **H1 is accepted .** (Ghozali, 2018) . Companies that focus on employee development often see significant returns in the form of higher productivity, innovation, operational efficiency, and competitive advantage. The results of this study support stakeholder theory by showing that financial reports function as a form of accountability. answer management For ensure that stakeholders obtain information about policy operational company . The company is committed For disclose its activities , including information regarding human capital , to stakeholders interest with objective guard Company balance and sustainability . Relationship between *human capital* and stakeholder theory impact positive to performance finance company . Companies can increase employee satisfaction and loyalty which contributes to workforce stability. These results are in line with a study by Kurniawan & Yuliana (2019) which shows that *human capital* has an effect on financial performance.

variable (X_2) shows number significance 0.000 < 0.05 which indicates CSR variable (X_2) has an effect on performance finance (Y). Then **H2 is accepted** (Ghozali, 2018) . Increase related sales with CSR can impact on performance finance . Effective CSR implementation No only strengthen image positive Company in the eyes consumers and society, but also improve loyalty customer as well as differentiates the Company in a competitive market. Reputation in CSR can open more opportunities Good towards capital and investment and support Company growth and can reduce risk financial Long term. CSR is not only focus on responsibility social and environmental responsibility, but rather a strategy that has potential big For increase performance finance through improvement sales and excellence competitive. This result one way with studies The Last Supper (2022) indicates that CSR has an impact on performance finance .

D. CONCLUSION AND SUGGESTIONS.

Results study This disclose that *human capital* and CSR have significant impact on performance finance. Investment in human capital and the implementation of CSR has the potential repair performance finance companies, stakeholder theory emphasizes importance fulfil need all stakeholders interests. Improvement skills and well-being employee No only push productivity and innovation, but also strengthens internal

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relationships, which in turn reduce cost *turnover* and increase involvement as well as motivation employee . Temporary that , effective implementation of CSR can repair reputation company , providing mark plus for society and the environment , as well as strengthen connection with stakeholders interest external like customers and community . Synergy between strong human *capital* and commitment towards CSR helps company fulfil not quite enough answer economic, social and environmental they , in contributing to the improvement profitability and performance finance term long .

Limitations of the research This is existence a number of *outlier* data For fulfil normality test requirements *kolmogrov-smirnov* and CSR load data only sourced from *annual report* and *sustainability report*. Suggestions for study furthermore perform normality test use another method for measure condition normality and search for CSR load data through other sources for information about The Company's CSR burden is increasing wide .

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