ABSTRACT

This research is meant to examine and analyze the influence of Good Corporate Governance (GCG) which is proxyed with independent commissioner, audit committee, and institutional ownership of Corporate Financial Performance with Corporate Social Responsibility (CSR) as Intervening variable. The total sample in this study are 20 companies listed in Indonesia Stock Exchange and publish the complete annual report and get Sustainability Reporting Award (SRA) published by National Center for Sustainability Reposrting (NCSR) period 2011-2015 through purposive sampling method. The data were analyzed by classical assumption test, for hypothesis testing 1 to 7 using multiple linear regression method with Eviwes 7 and for hypothesis testing 8 to 10 using sobel and bootstrapping method with SPSS 22.0.

Based on multiple linear regression analysis, the result of equation one that audit and CSR committee have a positive significant effect on company's financial performance. However, independent commissioner and institutional ownership have no significant effect on company's financial performance. The result of the second equation gets the result that independent commissioner and audit committee have a significant positive effect on CSR disclosure but for institutional ownership have no significant effect on CSR disclosure. Based on the analysis of sobel and bootstrapping that have been done, it is found that CSR is an intervening variable between the influence of independent commissioner to financial performance and audit committee on the company's financial performance. However CSR is not an intervening variable between the influence of institutional ownership on the financial performance of a company.

Keywords: Good Corporate Governance, Independent Commissioner, Audit Committee, Institutional Ownership, Corporate Social Responsibility, and Corporate Financial Performance.