



Leadership Style, Intellectual Capital, Corporate Social Responsibility and Corporate Performance: A Comparative study between two Indonesian Industries

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Abstract

Objective – The purpose of this paper is to examine the effect of leadership style, intellectual capital and corporate social responsibility on performance

Design/methodology – Data was gathered from two sources. To assess the leadership style, questionnaires were distributed and filled by staff working in sample companies from both. Meanwhile, secondary data collected from financial statements from 2012 to 2018 of each company samples. This study uses census sampling method.

Results – The results of this study demonstrated that leadership style has a negative influence on ROA, ROE and Sales Growth for both sector. The intellectual capital has a significant positive influence on ROA, ROE and Sales Growth. Furthermore, in the infrastructure, utilities, and transportation sector, the corporate social responsibility has a negative influence on ROA, a significant positive effect on ROE and not significant on sales growth. Meanwhile, the results from the companies in the basic industries and chemical sectors shows that corporate social responsibility has a negative influence on ROA, ROE and sales growth.

Research limitations/implications – A study which compare companies from different industries is still limited. This study focuses on Basic Industry and Chemicals sector and the Infrastructure, Utilities and Transportation Sector in Indonesia, and it is possible that these results are only applicable to the these sector. More research is therefore needed to further understand the contribution of performance to other sectors.

Practical Implication - The results are important for management policy development, for example, in terms of prescribing the competences of leadership to enhance firm performance

Keywords: Leadership Style, Intellectual Capital, Corporate Social Responsibility, Performance.

1. Introduction

Increasing competition forces many companies to change their systems from labor-based business to knowledge-based business. Knowledge based business will utilize intellectual capital. Intellectual capital is a form of intangible assets. Intellectual capital is ownership of knowledge and experience, professional knowledge and expertise, good relations, and technological mastery capacity, which if applied, will create competitive advantage for organizations (CIMA, 2004). Sawarjuwono & Kadir (2003) stated that intellectual capital not only involves the knowledge and skills of the employees, but also includes company infrastructure, customer relations, information systems, technology, ability to innovate and be creative. Furthermore, the disclosure of intellectual capital is one way to increase the value of the company. Intellectual capital information is one of the information needed by investors because it can help investors to predict the company's financial performance in the future (Nikolaj, 2003).

In addition to utilizing intellectual capital, disclosure of Corporate Social Respon-

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sibility is one way to sustain due to increased performance. Corporate Social Responsibility (hereinafter stated by CSR) is a form of implementing corporate (Nasution, 2009).

According to Pearce II & Robinson Jr, (2008), social responsibility to the community. CSR is the act of a corporation or large corporation in giving its responsibilities in the form of material such as money, equipment, or other gifts to the community, organization or individual in the region where the company operates (Setyawan, 2012).

CSR disclosure can help companies to improve performance. Changes in CSR orientation have led to many new concepts now known as corporate citizenship (Ardianto & Machfudz, 2011; Gantino, 2016). Some of the benefits of CSR, especially for companies are increased sales and market share (increased sales and market share), strengthen the position of a brand or trademark (strengthen brand positioning), enhance the company's image (enhanced corporate image clout), increase the ability to attract, motivate, and retain employees (increased ability to attract, motivate, and retain employees), reduce operating costs (decreasing operating costs) and increase attractiveness for investors and financial analysts (increased appeal to investors and financial analysts).

The implementation of CSR influences the company's financial performance, the implementation of social responsibility creates savings so that it can increase profits. Profit is one measure of financial performance. Various ways to measure financial performance, one of them is by using profitability ratios that are proxied by return on assets (ROA), return on equity (ROE) and sales growth. CSR has a significant effect on financial performance (Return On Equity / ROE), (Maqbool & Zamir, 2019; Mustafa, Othman, & Perumal, 2012; Waworuntu, Wantah, & Rusmanto, 2014; Yusoff, Mohamad, & Darus, 2013) while 2 studies which stated that the effect was not significant were studies from (Pan, Sha, Zhang, & Ke, 2014; Selcuk & Kiyamaz, 2017).

According to Agustina, Yuniarta, & Sinarwati (2015), Singh, Sethuraman, & Lam, (2017) Corporate Social Responsibility has a positive impact on the company, carrying out CSR activities can increase public trust in the company's products, so that the company's reputation also increases in the eyes of the public. Companies that carry out CSR will benefit in the form of increased sales because the company's reputation is considered good and responsible (Kotler & Maon, 2016). Previously Anderson, Fornell, & Lehmann (1994) stated that the company's reputation would stimulate repeat purchases by customers.

Performance is not only influenced by the implementation of CSR but also influenced by intellectual capital disclosure and leadership style (Du, Swaen, Lindgreen, & Sen, 2013; Ejere & Abasilim, 2013; A. Z. Khan & Adnan, 2014; S. Khan, Asghar, & Zaheer, 2014) found that transformational and transactional leadership styles had a significant positive effect on financial performance. The Transformational leadership style will provide opportunities for employees to continue to improve work skills and knowledge and use of technology.

Utilization of technology, the application of leadership styles and CSR are expected to boost performance, but the performance achieved by companies listed on the Indonesia Stock Exchange has fluctuated. Companies listed in the chemical and basic industry sectors managed to record fairly high growth. This sector managed to record growth of 17.08% year-to-date (YTD). The Government of Indonesia is trying to encourage the growth of this sector so as to reduce imports as well as the Infrastructure, Utilities and, Transportation sectors are business sectors that have capital-intensive, technology-intensive, high-risk, non-renewable and have negative impacts that can reduce environmental quality, so that the application of intellectual capital, selection of appropriate leadership styles and disclosure of corporate social responsibility is needed in this sector.

2. Literature Review and Hypothesis Development

Agency Theory

Robinson and Pearce (Pearce, Freeman, & Robinson, 1987) state that there is a segregation between the agent and owner that allows the owner's interests to be ignored. According to Suhardjanto & Wardhani (2010), agency theory is a theory that emphasizes the importance of company owners (principles) in handing over company management to professional staff (agents) who better understand and understand how to run a business.

Hill & Jones (1992) in relation to agency, there are 3 factors that influence the disclosure of corporate social responsibility, namely monitoring costs, contracting costs and political validity. Companies that face contract costs and low supervision costs tend to report low net income or in other words will incur costs for the benefit of management (one of which can increase the company's reputation in the community).

Stakeholder Theory

According to Chariri & Ghazali (2007), Stakeholder theory states that companies are not entities that only operate for their interests, but must provide benefits to all of its stakeholders. These stakeholder groups are taken into consideration for company management in disclosing or not providing information in the report to the company.

Furthermore, Utama (2007) explained that the implementation of CSR is not only faced with the owner or its shareholders but also to the stakeholders involved and affected by the company's existence.

Corporate Social Responsibility Disclosure

Corporate Sustainability Reporting will reveal three performance categories namely economic performance, environmental performance, and social performance. Zeghal & Ahmed, Sadrudin (1990) identified matters relating to corporate social disclosure reporting, namely the environment, energy, reasonable business practices, human resources, and products. Maria revealed that corporate social responsibility is no longer only faced with responsibilities that are grounded in a single bottom line because awareness of the importance of disclosure of corporate social responsibility (Corporate Social Responsibility) must be based on the idea that companies do not only have economic and legal obligations to shareholders but also obligations to other interested parties (Rosiana, Juliarsa, & Sari, 2013)

According to Gantino (2016) Corporate Social Responsibility has a positive impact on the company, carrying out CSR activities can increase public trust in the company's products, so that the company's reputation also increases in the eyes of the public (García-Jiménez, Ruiz-de-Maya, & López-López, 2017). Companies that carry out CSR will benefit in the form of increased sales because the company's reputation is considered good and responsible (Balabanis, Phillips, & Lyall, 1998; Yusoff, Haslinda., Mohamad, Salwa. & Darus, 2013; Pan et al., 2014; Kotler & Maon, 2016; Gantino, 2016).

Two indicators are used by companies in expressing CSR activities. First, the indicators applied by GRI (Global Reporting Initiative, in the disclosure there are 79 items of measurement consisting of economic indicators (9 items), environmental (30 items), and social which includes labor (14 items) human rights (9 items) social (8 items) and products (9 items) Second, the indicators carried out by (Sembiring, 2005), consisting of 78 items of disclosure that are suitable for application in Indonesia Rosiana et al., (2013) This study uses CSR indicators applied by Sembiring, which uses the CSR reduction indicators implemented by Sembiring, namely (Rustiarini, 2009).

Intellectual Capital

Ulum, Jati, & Waluya (2016) quoted Stewart's definition, intellectual capital is the sum of everything in your company knows that gives you a competitive edge in the market place. It is intellectual material-knowledge, information, intellectual property, experience-that can be put to use to create wealth. Furthermore Nikolaj (2003) state, intellectual capital is a variety of knowledge resources in the form of employees, customers, processes or technology that can be used in the process of creating value for the company.

According to Oktavianti, Heni, & Wahidahwati (2014), disclosure of intellectual capital is an important way to report on the nature of the intangible value possessed by the company. Besides intellectual capital is also useful to bridge the information mismatch arising between the manager and the owner of the company.

Intellectual capital is one of the company's strategies in creating value Rexhepi, Ibraimi, & Veseli (2013) through the knowledge and technology used that will improve performance (Riahi-Belkaoui, 2003; F-Jardón & Martos, 2009; Shamsudin, Izza, & Yian, 2013; Shehzad et al., 2013).

The intellectual capital valuation model consists of a model developed by Martín de Castro, López Sáez, & Emilio Navas López (2004) CIMA and others. This study uses a model developed by Grogan, Henrich, & Malikina (2014) based on the ability to provide timely information to management to be able to modify strategies in specific situations. The model is represented by 3 components: human capital (training and qualification and talent management, assessment of know-how and innovation, teamwork, development and innovation investment and talent retention policy), structural capital (registration organizational knowledge, existence of certification, social and environmental policies, award schemes, partnerships and complaints systems) and customer capital (managing customer satisfaction, customer complaints systems, market audits and accessing new markets).

Leadership Style

Kartini (2008) states that leadership style is the nature, habits, temperament, character, and personality that distinguishes a leader in interacting with others. Miftah (2010) argues that leadership style is the norm of behavior used by someone when that person tries to influence the behavior of others or subordinates.

This study uses a transformational leader model developed by Bernard & Ronald (2006) and Timothy, Okwu, Akpa, & Nwankwere (2011) According to him, transformational leaders tend to always inspire, encourage, develop, motivate employees to participate enthusiastically in their teams, build commitment, exemplify good values and stimulate the creativity of their employees. The Transformational Leadership component consists of Idealized Influence (Attributed); Idealized Influence (Behavior); Inspirational Motivation; Intellectual Stimulation; Individualized Consideration.

Timothy stated transactional leadership helps companies to achieve corporate goals more efficiently by linking performance with rewards to be received (Timothy et al., 2011). Transactional leadership focuses on the outcome (Groves & LaRocca, 2011). The Transactional leadership style consists of 3 dimension Bass (1997) Contingent Reward, Active Management by Exception and Management by passive exception.

Achieving company goals is a reflection of company performance. According to Timothy (Timothy et al., 2011), leadership style influences company performance. The same statement was stated by Ejere & Abasilim (2013) that the transactional and transformational leadership style affects company performance.

The Performance

Performance can be measured through financial and non-financial performance. Financial performance (Fahmi, 2012), is a picture of the company's success in the form of results that have been achieved through various activities that have been carried out. Financial performance can be seen in financial statements, according to Brigham, Eugene, & Houston (2006) explaining that financial statements are several sheets of paper with numbers written on them, but it is also important to think about the tangible assets that underlie these figures.

Return On Equity (ROE)

Return On Equity Rudianto (2006) shows management's ability to maximize returns to shareholders on the equity used by the company. This ratio can also be referred to as Capital Own Capital Rentability.

Return On Assets (ROA)

Return on Assets (ROA) is a measure of the company's ability to generate profits with all assets owned by the company. The greater ROA shows better company performance because of the greater the return. The industry standard for ROA according to Kasmir (2014) is 30%.

Sales Growth

The sales growth rate illustrates the increase or decrease in sales from year to year which can be seen from each company's income statement. According to Subramanyam & Wild (2010), "analysis of trends in sales by segments is useful in assessing profitability. Sales growth is often the result of one or more factors, including (1) price changes, (2) Volume changes, (3) acquisitions and divestitures, and (4) changes in change rates. A company's management's discussion and analysis section usually offers insights into the causes of sales growth. According to Sudana (2011) states that the sales percentage approach is a method of financial planning, in which all accounts in the company's financial statements change depending on the prediction of the company's sales level.

Hypothesis

The Effect of Leadership Style on Financial Performance

Ejere & Abasilim (2013) Khan & Adnan (2014) Khan et al., (2014) found that transformational and transactional leadership styles had a significant positive effect on financial performance. According to Bass (1997) transformational leaders tend to inspire, develop, stimulate employee creativity, so that qualified employees can contribute more and this will encourage companies to have good financial performance. Transformational leaders motivate, pay attention to employee needs, and focus on employee self-development so that employees have a sense of belonging Ojokuku, Odetayo, & Sajuyigbe (2012) and employees feel satisfied Bernard & Ronal (2006) then he is driven to have good performance as they should (Bass, 1997; Ojokuku et al., 2012).

Transformational leaders instill values, motivate employees and also create very close relationships that trigger employee morale to achieve better performance (A. Z. Khan & Adnan, 2014). Bernard & Ronal (2006) that transactional clarifies the reward that will be given, and employees are encouraged to improve their performance to a higher level.

Ha1: There is a positive influence of leadership style on ROA.

Ha2: There is a positive influence of leadership style on ROE.

Ha3: There is a positive influence of leadership style on sales growth.

Effect of Intellectual Capital on Financial Performance

Firer & Mitchell (2003) conducted an intellectual capital study proxied by VAIC and company performance consisted of, profitability (ROE), productivity (ATO), market to book value (MB). The results of this study indicate that intellectual capital only affects the market to book value and productivity while company profitability has no effect. Chen et al. (Chen, Cheng, and Hwang 2005) by using VAIC, VACA, VAHU, STVA, RD, AD against M/B, Financial performance (ROE, ROA, GR, EP). Research shows that VAIC, VACA & VAHU are positively related to M/B, ROE, ROA, GR & EP, STVA is not significantly related to M/B, STVA is significantly positively related to ROE, RD is significantly positively related to ROA & GR, AD is related negative towards ROE & ROA. The results of the study by Pew, Plowman, & Hancock (2007) show that intellectual capital has a positive effect on market value and company performance (EPS and annual stock return).

Ha4: There is a positive effect of intellectual capital on ROA

Ha5: There is a positive effect of intellectual capital on ROE

Ha6: There is a positive effect of intellectual capital on sales growth

The Effect of Corporate Social Responsibility on Financial Performance

CSR disclosure will affect the company's financial performance (Gantino, 2016). According to Pan et al., (2014), Gantino (2016) financial performance is measured through financial ratios, including ROA, ROE, sales growth and other ratios. Bhernadha & Azizah (2017) state: 1) Corporate Social Responsibility was significantly influential to ROA (Return on Assets); 2) Corporate Social Responsibility did not significantly influence ROE (Return on Equity). Parengkuan (2017), CSR has no effect on ROA. Wider disclosure will give a positive signal to the parties concerned with the company (stakeholders) including shareholders (shareholders) (Beurden & Goessling, 2008). This will lead to stakeholder and shareholder confidence in the company. This trust is shown by stakeholders with the receipt of company products that will increase profits (Sen & Bhattacharya, 2001).

According to Agustina et al., (2015) Corporate Social Responsibility can have a positive impact on the company. Companies that carry out CSR will benefit in the form of increased sales because the company's reputation is considered good and responsible (Kotler & Maon, 2016) (Shehzad et al., 2013) (Yusoff et al., 2013) (S. Singh, 2010). Previously Anderson et al., (1994) stated that the company's reputation would stimulate repeat purchases by customers.

Ha7: There is a positive influence of corporate social responsibility on ROA.

Ha8: There is a positive influence of corporate social responsibility on ROE.

Ha9: There is a positive influence of corporate social responsibility on Sales growth.

3. Research Method

Population and Sample

The populations are companies in the Basic Industry and Chemicals sector and the Infrastructure, Utilities, and Transportation Sector, which are listed on the Indonesia Stock Exchange for the period 2012-2018. The sampling technique used is saturated sampling. Total 8 companies in basic and chemical industry sectors and 5 companies in infrastructure, utilities, and transportation sectors. Respondents for leadership style are workers in companies in both sectors.

Leadership Style, Intellectual Capital, Corporate Social Responsibility
Table 1. Operational Variables

Operationalization Variable			
No	Variable	Proxy	Scale
1	Leadership Style	Transfomational	Ratio
2	Intellectual Capital	Human capital, structure capital dan customer capital	Ratio
3	Corporate Social Responsibility	$CSR DI_j = \frac{\sum XI_j}{n_j}$	Ratio
4	Financial Performance	$ROE = \frac{Net Profit}{Equity} \times 100\%$	Ratio
		$ROA = \frac{EAT}{Asset} \times 100\%$	Ratio
		$Pertumbuhan = \frac{Sales_t - Sales_{t-1}}{Sales_{t-1}} \times 100\%$	Ratio

Data Analysis

Research using quantitative analysis by applying steps to establish measurement techniques, testing data includes testing the validity and reliability of data. This research uses the ratio scale measurement technique.

Equation 1:

to explain the influence of leadership style on ROA, ROE and sales growth

$$Y_{1,2,3} = a + bX_1$$

Equation 2:

to explain the effect of intellectual capital on ROA, ROE and sales growth

$$Y_{1,2,3} = a + bX_2$$

Equation 3:

to explain the effect of CSR on ROA, ROE and sales growth

$$Y_{1,2,3} = a + bX_3$$

Y_1 = Return On Equity; Y_2 = Retun On Aset; Y_3 = Sales Growth; a = Constanta; b = regression coefficient; $X_{1,2,3}$ = Corporate Social Responsibility

Research Model

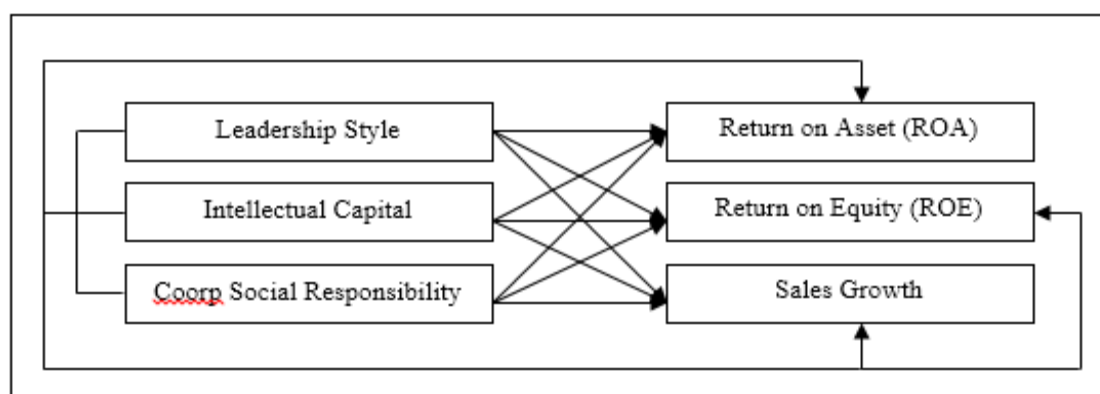


Figure 1. Research Model

4. Result and Discussion

The results of data processing are as follows:

JAROE

VOL. 2(3)

Table 2. Results for Basic Industry and Chemical Sector

Hip	Descriptions	Basic Industry and Chemical Sector			
		Result	Koef	Sig	Model
Ha1	positive effect leadership style on ROA	Rejected	-2.975		
Ha2	positive effect leadership style on ROE	Rejected	-6.61		$Y (ROA) = 10.419 - 0.021X_{csr} + 1.473 X_{ic} - 2.975X_{ls}$
Ha3	positive effect leadership style on Sales Growth	Rejected	-5.381		
Ha4	positive effect intellectual capital on ROA	Accepted	1.473	✓	$Y (ROE) = 31.75 - 0.0291X_{csr} + 1.420 X_{ic} - 6.610 X_{ls}$
Ha5	positive effect intellectual capital on ROE	Accepted	1.42	✓	
Ha6	positive effect intellectual capital on sales growth	Accepted	1.051	✓	$Y (SG) = 20.715 + 0.011 X_{csr} + 1.051 X_{ic} - 5.381 X_{ls}$
Ha7	positive effect corporate social responsibility on ROA	Rejected	-0.021		
Ha8	positive effect corporate social responsibility on ROE	Rejected	-0.029		
Ha9	positive effect corporate social responsibility on sales growth	Accepted	0.011	✓	

Table 3. Results for Infrastructure, Utilities and Transportation Sector

Hip	Descriptions	Infrastructure, Utilities and Transportation Sector			
		Result	Koef	Sig	Model
Ha1	positive effect leadership style on ROA	Rejected	-2.90		
Ha2	positive effect leadership style on ROE	Rejected	-2.44		$Y (ROA) = 7.332 - 0.044X_{csr} + 1.088 X_{ic} - 2.904 X_{ls}$
Ha3	positive effect leadership style on Sales Growth	Accepted	5.825		
Ha4	positive effect intellectual capital on ROA	Accepted	1.088	✓	$Y (ROE) = 5.592 + 0.119X_{csr} + 0.703 X_{ic} - 2.440 X_{ls}$

Ha5	positive effect intellectual capital on ROE	Accepted	0.703	✓	
Ha6	positive effect intellectual capital on sales growth	Accepted	1.245	✓	$Y(SG) = -19.114 + 0.017X_{csr}$ $+ 1.245 X_{ic} + 5.825 X_{ls}$
Ha7	positive effect corporate social responsibility on ROA	Rejected	-0.04		
Ha8	positive effect corporate social responsibility on ROE	Accepted	0.119	✓	
Ha9	positive effect corporate social responsibility on sales growth	Accepted	0.017	✓	

Companies in the basic industry and chemical sector sales level depends on the growth of other sectors because this sector produces products that will be used as material for other products and some of these companies are made from imported raw materials so that it depends on the stability of the value of the rupiah against the dollar. The use of modern technology and knowledge resources is needed in this industry. These things make companies in this sector require large capital so that management will try to obtain capital through the sale of shares. It also encourages management to always strive to provide good information through ever-increasing profit achievements for all shareholders.

Hypothesis test results in the basic industries and chemical sectors show that intellectual capital has a positive and significant effect on ROA, ROE and Sales Growth, as well as CSR disclosure on sales increase. This result is in line with the characteristics of this industry which uses high technology and knowledge so that the products produced become cheaper so that it can cover the influence of the use of imported materials which are influenced by the value of the rupiah against the dollar. It is important for companies to disclose CSR, especially CSR activities that encourage the attention of stakeholders and consumers who are producers of products based on the company's products in this sector.

To improve performance as measured through ROA and ROE, companies in this sector are highly dependent on management efforts to increase the use of appropriate technology while to increase sales is highly dependent on the selection of the right leadership style.

Investment in infrastructure companies is often associated with capital intensive investments (capital intensive) with a slow and long-term investment rate of recovery. Companies in the field of telecommunications services are needed to encourage corporate activities in other sectors, so companies in this sector require substantial capital to always improve telecommunications services to other sectors. Likewise, companies in the field of transportation. Management will try to get capital at a low cost and always maintain a comparison of capital with debt. In order to obtain cheap capital, management will strive to continue to increase profits through increased sales and decreased costs of production of services produced. Cost reduction can be done by utilizing technology and knowledge. One of the ways to increase sales can be to implement a CSR program and disclose it to stakeholders. This is consistent with the results of hypothesis testing showing that intellectual capital has a significant positive effect on ROA, ROE and Sales Growth. CSR disclosure has a positive and significant effect on ROE and Sales

Growth. What distinguishes it from companies in the Basic Industry and Chemical sector is that CSR disclosure in the Infrastructure, utility and transportation sectors has a positive and significant effect on ROE.

Performance improvement as measured by ROA in the Infrastructure, Utility and Transportation sectors is highly dependent on the size of the company's efforts to increase the use of technology and knowledge (intellectual capital). Performance improvement as measured by ROE is influenced by the accuracy in choosing leadership style, then to increase the company's sales growth in this sector it is necessary to increase CSR disclosure index, accuracy in choosing leadership style and the use of technology and knowledge that is greater than -19.114

Leadership Style has a negative effect on financial performance measured by ROA, ROE in both industries, this result is in line with research (Tawaha, 2016) but contrary to research, (Adriani, Joeliaty, Hilmiana, & Yunizar, 2019; Al Khajeh, 2018; Flanigan, Stewardson, Dew, Fleig-Palmer, & Reeve, 2013; Miloloža, 2018; Tran, 2017). Leadership style has a positive effect on financial performance in basic industries and chemicals but has a negative effect on infrastructure, utilities, and transportation.

Intellectual capital has a significant positive effect on financial performance as measured by ROA, ROE and Sales Growth, this is contrary to the results of Albertini & Berger-Remy (2019) research, and supports the research of (Al-Musali & Ismail, 2014; Gresilia, 2014; Khorasanian, 2016; Mohammad, Bujang, & Hakim, 2018; N. Isanzu, 2015; Onyekwelu, Uche, Okoh, Johnson, & Iyidiobi, 2017; Ozkan, Cakan, & Kayacan, 2017; Paper, Sagara, & Chairunissa, 2018; Sidharta & Affandi, 2016).

CSR has a negative effect on financial performance as measured by ROA and ROE in both industries, these results support (Bhernadha et al., 2017; Paper et al., 2018) research, but CSR has a significant positive effect on financial performance as measured by sales growth in both industries. These results support the research of (Aigner D.J, 2016; Akben Selcuk & Kiyamaz, 2017; Galant & Cadez, 2017; Kamatra & Kartikaningdyah, 2015; Parengkuan, 2017).

5. Conclusion

The conclusion in this research are leadership style has a negative influence on ROA, ROE and Sales Growth. Intellectual capital has a significant positive influence on ROA, ROE and Sales Growth. Furthermore, in the infrastructure, utilities, and transportation sector, corporate social responsibility has a negative effect on ROA, a significant positive effect on ROE and not significant on sales growth but in the basic industries and chemical sectors shows corporate social responsibility has a negative effect on ROA, ROE and sales growth

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