PROCEEDING ICONIES
FACULTY OF ECONOMICS
UIN MAULANA MALIK IBRAHIM MALANG
P-ISSN: 2476-9851 / E-ISSN: 2541-3333

THE INFLUENCE OF GREEN ACCOUNTING AND CORPORATE SOCIAL RESPONSIBILITY TOWARD PROFITABILITY

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ABSTRACT
This research aims to analyze the influence of green accounting and corporate social responsibility (CSR) on company profitability partially and test and analyze the influence of green accounting and corporate social responsibility (CSR) on company profitability simultaneously. The population used in this research is 27 mining sector companies listed on the Indonesian Sharia Stock Index. The sampling technique in this research is purposive sampling, and there are 12 companies that meet the criteria as samples and there are 36 financial reports. The data analysis used is descriptive analysis, classical assumption testing, multiple regression analysis testing and hypothesis testing with the help of the SPSS 24 program. The results of this research show that; First, variables*green accounting*The significance value obtained is 0.735 > 0.05 and the t value is 0.341 < 2.039 t table, so green accounting does not have a significant effect on profitability in mining sector companies for the 2020-2022 period. Second, the variable corporate social responsibility (CSR) obtained a significance value of 0.476 > 0.05 and a t value of 0.722 < 2.039 ttable, so corporate social responsibility (CSR) does not have a significant effect on profitability in mining sector companies for the 2020-2022 period. In the simultaneous test, the significance value is 0.738, which means the significance value is 0.738 > 0.05 and the f value is 0.307 < 3.30 ft, which means that green accounting and corporate social responsibility (CSR) simultaneously have no effect on profitability in mining sector companies for the 2020-2022 period.

Keywords: Green accounting, corporate social responsibility, profitability

INTRODUCTION

The world economy is starting to improve after experiencing a global crisis which can have a positive impact on every company in Indonesia so that it can encourage competition in the business world. Competition in the business world means that entrepreneurs need to improve their company activities to maintain their existence. The company will carry out various business activities with the aim of making a profit.

Basically, every company must have a goal of increasing profitability in order to achieve the previously planned targets. Profitability describes a company's ability to generate profits. Profitability is defined as an overall measure of a company's economic success and management competence. Profitability is the main key in seeing the development and growth of a company (Welly & Widjaja, 2021). Increasing company development will greatly influence the company's sustainability in the long term, therefore a strategy is needed to maximize profitability. Likewise for mining sector companies.

The mining sector is one of the pillars of economic development in countries including Indonesia. Indonesia is considered to be one of the countries with abundant sources of minerals (mining) in the world (Surenjani, et al., 2023). The mining sector plays a role in providing much-needed energy resources to support the country's economic growth. In Indonesia, companies operating in the mining sector are usually integrated companies, which means the company has business activities including exploration, development, construction, production and processing. Therefore, the profitability of mining sector companies is interesting to observe.

Profitability is very important for companies or investors who invest their capital. Profitability is the ability achieved by a company within a certain period of time. The level of company profitability can be determined by looking at the value of Return On Assets (ROA) (Wijaya, 2019). One measure of company profitability is by using ROA, where ROA can be obtained by comparing profits with company assets. The profitability of a company is experiencing a decrease or increase, which can be seen from the company's ROA. The following is ROA data obtained by several mining sector companies registered with ISSI in 2020-2022 (Pinangkaan et al., 2022).

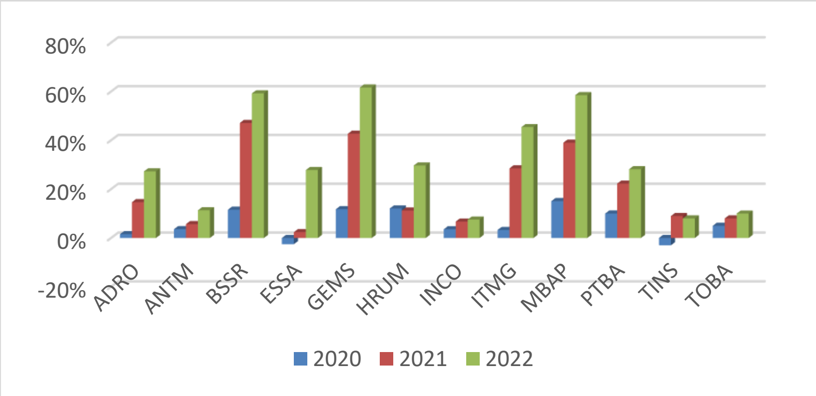

Figure 1. ROA Data of Mining Sector Companies 2020-2022
Source: www.idx.co.id processed by the author

The graphic image above shows that mining sector companies experienced an increase in ROA values from 2020 to 2022. However, this was not experienced by PT. Harum Energy Tbk (HRUM) and PT. Timah Tbk (TINS). In 2021, HRUM experienced a decline in profitability from the previous year. In 2020, it was 12%, dropping to 11% in 2021. Then in 2022, TINS also experienced a decline in profitability from the previous year. In 2021, it was 9%, decreasing to 8% in 2022. Then this causes the operational costs incurred by the company to continue to increase every year, including environmental management costs.

Economic developments that support the smooth running of economic activities, especially in the mining sector in Indonesia, are very interesting to observe. Mining sector companies are companies that carry out production activities by means of general investigations, exploration, feasibility studies, construction, mining, management and refining, transportation and sales, and post-mining.[1]Mining companies are expected to be able to provide profitable prospects in meeting community needs (Hidayat, 2018). However, global warming and other industrial activities give rise to several environmental problems.

Companies must also pay attention to the impact of these operations on society in order to run an environmentally friendly business. A company that carries out activities that cause damage to the ecosystem due to production waste clearly requires special handling costs. Environmental damage generally occurs in almost every region of the earth, causing the ozone layer to become increasingly degraded over time. The increasingly severe environmental damage caused by human exploitation of natural resources and the environment makes the environmental situation very worrying. The environmental damage crisis is present in the form of global warming, pollution, climate change, the impact of greenhouse gases and the extinction of flora and fauna.

The importance of protecting the environment without us realizing it, environmental damage is starting to be felt. Pollution and environmental damage can be controlled by preventing and restoring it. Since 1995, the government through the Ministry of the Environment has created a program, namely the Corporate Environmental Management Performance Evaluation Program (PROPER). The government evaluates companies' environmental management performance using color as a measuring tool (Reliantoro, 2023). This evaluation is based on whether the business activity is responsible and complies with applicable laws and regulations including the implementation process and requirements for the business or activity permit.

Companies can solve environmental problems by implementing green accounting. The implementation of green accounting will encourage companies to reduce the environmental problems they face. The aim of implementing green accounting is to increase the efficiency of environmental management by carrying out environmental activities from the perspective of costs, benefits or impacts. By managing the environment, the company becomes responsible for the environment around it.

Apart from green accounting, there is also a social responsibility which is an obligation for companies in the field and/or related to natural resources which is called Corporate Social Responsibility (CSR). CSR can have a positive impact on the company, where by disclosing the company's CSR it can increase public trust in the company's products so that the company's reputation also increases in the opinion of the public (Purnaningsih, 2018). Therefore, people want to buy company products. The more buyers of a company's product on the market, the more profit the company will earn. Increasing profits will attract investors, because profitability is a consideration for investors in their investment decisions.

To carry out various CSR disclosures means that the company has to incur a number of costs and these costs will become a burden that must be borne by each company, thereby reducing income, and resulting in the company's profit level decreasing. However, the positive impact of implementing CSR disclosure is that the company's image will be better in the eyes of the public, so that public loyalty to the company will be higher (Heryanto & Juliarto, 2017). Based on the background and phenomena that occurred above, the author is interested in re-examining the research entitled "The Effect of Implementing Green Accounting and Corporate Social Responsibility (CSR) on the Profitability of Mining Sector Companies for the 2020-2022 Period".

RESEARCH METHODS

This research uses quantitative research methods. Quantitative research methods are the collection and analysis of numerical data or the description, explanation, production, or control of various phenomena of great interest. The type of research used is causal research which aims to test one variable with another (Santoso & Madiistriyatno, 2017). This research is research that uses multiple linear regression analysis methods, namely to determine the effect of Green Accounting and Corporate Social Responsibility (CSR) on profitability with the help of the SPSS version 24 program.

DISCUSSION

Based on the previously determined problem formulation, this research aims to determine whether there is an influence of green accounting and corporate social responsibility on the profitability of mining sector companies for the 2020-2022 period. After carrying out a series of analyzes, this section contains a discussion to answer the problem formulation that has been determined.

The effect of green accounting on profitability in mining sector companies for the 2020-2022 period

Based on the T test that has been carried out, it is obtained that the green accounting variable (X1) has a tcount of 0.341 < ttable 2.039 and the significance value of the green accounting variable (X1) is 0.735 > 0.05, which means that the green accounting variable does not have a significant effect on profitability.

This research is not in line with research conducted by Tryas Chasbiandani, Nelyumna Rizal, and Indra Satria in research entitled "Application of Green Accounting to Company

Profitability in Indonesia" which states that green accounting which is proxied by environmental costs has a positive effect on profitability (Chasbiandani et al., nd).

This research is in line with research conducted by Eka Sulistiawati and Novi Dirgantari in research entitled "Analysis of the Effect of Implementing Green Accounting on Profitability in Mining Companies Listed on the Indonesian Stock Exchange" which states that implementing green accounting does not have a positive effect on profitability (Sulistiawati & Dirgantari, 2016)

The results of this research indicate that whether or not green accounting is implemented by a company has no effect on profitability. So this research proves that the implementation of green accounting is not directly proportional to the profitability of a company.

For example, PT HRUM Tbk in 2021 will incur costs for managing the environment which is part of implementing green accounting. The costs incurred amounted to $2,427,204 which was distributed to carry out environmental conservation activities. One example of environmental conservation activities is reclamation and revegetation of ex-mining areas in Block D and Block E (a subsidiary of PT Mahakam Sumber Jaya) and also rehabilitation of river watersheds (DAS) in Kutai National Park, East Kalimantan within a period of 1 year, namely from January to December 2021. During 2021, PT HRUM Tbk has planted 73,993 trees on 118.39 ha of land and 603.9 ha of reclaimed land.

However, this has an impact on the profitability value of PT HRUM Tbk in 2021. PT HRUM Tbk experienced a decrease in profitability from the previous year, namely 2020. In 2020, profitability as proxied by ROA was 0.12 and in 2021 the ROA value decreased to 0.11 . This proves that the large number of environmental costs incurred to implement green accounting causes a company's profitability to decrease.

The reason this hypothesis is rejected is because the company's activities in managing the environment cannot affect profitability and do not guarantee that the company's profitability will increase even though the company has made environmental management efforts in accordance with PROPER requirements. This is because the PROPER assessment aspect does not directly touch the interests of the community, so it does not get a positive image from the community. This causes the implementation of Green Accounting to have no significant effect on a company's profitability.

The influence of corporate social responsibility on profitability in mining sector companies for the 2020-2022 period

Based on the T test that has been carried out, it is obtained that the corporate social responsibility variable (X2) has a tcount of 0.722 < table 2.039 and the significance value of the corporate social responsibility variable (X2) is 0.476 > 0.05, which means that corporate social responsibility does not have a significant effect on profitability. Based on the results of the tests that have been carried out, this research proves that the higher the company's corporate social responsibility (CSR) disclosure index, it does not have a significant effect on profitability as proxied by ROA.

This research is not in line with research conducted by Lina Dwi Mayangsari in research entitled "The Influence of Corporate Social Responsibility on Profitability and Stock Returns in Banking Companies in Indonesia 2011-2016" which states that Corporate Social Responsibility (CSR) has an influence on profitability. However, this research is in line with the results of research conducted by Rosmila, et al in research entitled "The Influence of Corporate Social Responsibility on Financial Performance (Study of Consumer Good Industry Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2015-2018 Period) " which states that CSR has no effect on profitability. This indicates that disclosing CSR will be an additional cost for the company which can reduce or not increase a company's net profit (Rosmila et al., 2021).

For example, PT TINS Tbk in 2021 spent IDR 54.31 billion for CSR activities which was distributed to the community. The Social Responsibility Program (TJSL) and the Micro and Small Enterprise Funding (PUMK) program are two programs used to channel CSR funds. Funds amounting to Rp. 31,780 billion allocated for the TJSL program were used for several purposes, such as fishing grounds with fishing communities, nipah palm entrepreneurship, holding a scholarship education program at SMAN 1 Pemali, mitigating climate change through planting mangroves, and helping community plantations around the mine. . PT TINS Tbk has provided funds amounting to Rp. 22,483 billion for the PUMK program and has also carried out several initiatives, such as providing MSME training, promoting MSME products at TINS, making videos produced by fostered partners, and involving assisted MSMEs in exhibitions in Bangka Belitung and Nationally (Jakarta, Solo, Banten). However, this will have an impact on the ROA value in 2022. PT TINS Tbk experienced a decline in profitability from the previous year. In 2021 profitability as proxied by ROA is 0.09 and in 2022 the ROA value will decrease to 0.08. This proves that the large number of CSR costs incurred causes a company's profitability to decrease.

The reason this hypothesis is rejected is because companies that aim to increase profits will consider every cost incurred, including environmental costs which reduce the size of profits. Because there are several companies that also record these environmental costs as administrative and general expenses in their annual reports. So implementing Corporate Social Responsibility (CSR) does not have a significant effect on company profitability.

The simultaneous influence of green accounting and corporate social responsibility on profitability in mining sector companies for the 2020-2022 period

Based on the results of the F test, the variables green accounting (X1) and corporate social responsibility (X2) on profitability (Y) obtained an fcount value of 0.307 and a ftable value of 3.30, which means fcount 0.307 < ftabel 3.30. The F test results have a significance value of 0.738 > 0.05. So it can be interpreted that green accounting and corporate social responsibility simultaneously do not have a significant effect on profitability.

The results of this research indicate that a company that implements green accounting and corporate social responsibility (CSR) does not experience an increase in the company's profitability. If a company discloses CSR, then indirectly the company is also implementing green accounting. Because CSR is a step that will be taken by a company to show responsibility to the surrounding environment. Through CSR, analysis of environmental impacts and estimates of costs incurred will indirectly influence every step the company takes in taking policies in using the natural resources around it.

From the discussions above, it can be concluded that all independent variables in this study have no effect on the dependent variable partially and simultaneously.

CONCLUSION

Based on the results of data analysis, hypothesis testing, and discussion results regarding research on the influence of green accounting and corporate social responsibility on the profitability of mining sector companies for the 2020-2022 period. So the following conclusions can be drawn: 1) Based on the results of hypothesis testing with the t test (partial), it shows that green accounting has no significant effect on the profitability of mining sector companies for the 2020-2022 period with a significance value of 0.735 > 0.05 and a value of thiutng < ttable (0.341 < 2.039); 2) Based on the results of hypothesis testing with the t test (partial), it shows that the measure of corporate social responsibility does not have a significant effect on the profitability of mining sector companies for the 2020-2022 period with a significance value of 0.476 > 0.05 and a value of tcount < ttable (0.722 < 2.039). 3) Based on the results of hypothesis testing with the F test (simultaneous), it shows that green accounting and corporate social responsibility do not simultaneously influence the profitability of mining sector companies for the 2020-2022 period with a significance value of 0.738 > 0.05 and an Fcount value of 0.307 < 3.30 Ftable.

SUGGESTION

Based on the results of the research that has been carried out, there are several suggestions that can be put forward. These suggestions are as follows: 1) For companies, this research can be used as additional information as a consideration in implementing green accounting and CSR so that the company's performance is better in the future and can attract investors to invest their capital in the company; 2) It is hoped that investors can provide information and considerations for investors in making the right decisions in investing; 3) Future researchers can add and develop other research variables.

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