

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the reader with a comprehensive understanding of the research overview and study summary. The objective of this chapter is to present a Recap of Research Discoveries, Study's Contribution, Constraints, suggestions for future research, and a final statement.

5.2 Overview of Study

The purpose of this study is to look at the impact of implementing social responsibility requirements on the financial performance of Indonesian enterprises. By studying data from diverse Indonesian organizations, the researchers hope to determine whether adopting social responsibility policies improves financial performance, providing useful insights for both academics and practitioners. The purpose of this study is to look at the impact of implementing social responsibility requirements on the financial performance of Indonesian enterprises. By studying data from diverse Indonesian organizations, the researchers hope to determine whether adopting social responsibility policies improves financial performance, providing

Hypotheses	Accepted	Rejected
H1: Human Rights affects financial performance		✓
H2: labor relations and conditions affects financial performance	✓	
H3: Enviroment affects financial performance		✓

Tabel 5.1 Result of Findings

5.3 Summary of Research Findings

The objectives of the research is to determine of return of assets in engaged in the construction industry sector listed on the Indonesia Stock Exchange period in

2020-2022 may be affected by human rights, labor relations and conditions, environment. Based on the result of data analysis in the previous chapter, it can be concluded that labor relations and conditions has a significant affect on return of assets, human rights and environment has an insignificant affect on return of assets.

Independent Variable	Beta	Std error	Sig	VIF
Human Rights	-0,289	0,093	0,107	1,641
Labor Relations & Conditions	0,461	0,016	0,006	1,323
Environment	0,171	0,078	0,353	1,764

Tabel 5.2 Hypothesis Testing Result

5.3.1 The Influence Of Human Rights On Return Of Assets

Based on Table 4.3, the t value of Human Rights is -1,650 and the significant value is 0,107 which is a significant smaller than 0.05, it can be concluded that financial statement is significantly uninfluenced by return on assets. Therefore, the hypothesis (H1) is not accepted. Eight human rights-related areas of action are involved in the implementation of ISO 26000: duty of vigilance; prevention of situations that endanger human rights; prevention of complicity; addressing human rights violations; discrimination against vulnerable groups; civil and political rights; economic rights; social and cultural rights; fundamental principles; and the right to work(Chakroun et al., 2020b)

5.3.2 The Influence Of Labor Relations And Conditions On Return Of Assets

Based on Table 4.3, the t value of labor relations and conditions is -2,924 and the significant value is 0.006 which is a significant smaller than 0.05, it can be concluded that return on assets is significantly influenced by labor relations and conditions. Therefore, the hypothesis (H2) is accepted. Numerous studies have been conducted on the connection between a company's financial performance and favorable worker relations and circumstances(Chakroun et al., 2020b) . A study that looked at training practices discovered a link between the productivity of the business and the resources allocated to managing training operations. They came to the conclusion that there is a positive correlation between MSDM practices and financial, social, and economic performance. This outcome is comparable to what (Paranque,

2016)discovered after examining 58 French enterprises as a sample. They discovered a favorable correlation between economic success and training and compensation policies.

5.3.3 The Influence Of Enviroment On Return Of Assets

Based on Table 4.3, the t value of the enviroment is 0,940 and the significant value is 0,353 which is a significant smaller than 0.05, it can be concluded that return on assets is insignificantly influenced by the enviroment. Therefore, the hypothesis (H3) is accepted. In this instance, the environmental data is not available. This doesn't necessarily indicate that there is a causal relationship between the environment and money, but it does provide some evidence that the effect isn't really relevant (de Burgos-Jiménez et al., 2013) The implementation of this international standard encourages businesses to manage their environment through efficient and environmentally friendly practices that can improve their reputation and increase their environment's productivity. Due to this, this contributes to the environmental pillars in sustainable construction(Koe Hwee Nga, 2009)

5.4 Contribution of Study

5.4.1 Body of Knowledge

While this study, like all others, has its share of drawbacks, by looking at how ISO certification affects financial performance, it has also added a great deal to the body of knowledge. The variables chosen and the way they are understood may, in theory, not correctly reflect the situation being studied. The companies sampled in this study were only 15 Basic and Chemical Industry Sectors listed on the IDX for the period 2020-2022. Where not all Basic and Chemical Industry Sectors listed on the IDX for the period 2020-2022 were used as samples due to limited data on financial reports and sustainability reports.

In future research, the application of ISO 26000 by companies from Indonesia makes it possible to perform better at the social and financial environmental levels. the importance of social responsibility in carrying out business activities so that good corporate governance can improve the financial performance of a company.

5.5 Limitation

There are a number of limitations to this study. To start, the companies included in the sample were those in the Basic Industry and Chemical Sector that were listed on the IDX between 2020 and 2022. Due to a lack of information in the financial and sustainability reports, not all construction industry sectors listed on the IDX for the 2020–2022 period were included in the sample. Just fifteen of the fifty companies that are listed on the IDX have sustainability reports covering the years 2020–2023.

5.6 Suggestions for Future Research

Researchers should make every effort to utilize all companies in the industrial and media sectors to maximize their research resources. By acknowledging this shortcoming, future research can provide more comprehensive understanding of the relationship between corporate social responsibility and the keuangan labor force of Indonesian businesses, as well as more effective strategies for increasing financial labor force participation through social entrepreneurship.

5.7 Concluding Remarks

The main problem of this research is to investigate the impact of implementing ISO 26000 on financial performance in Indonesia. I conducted research on 15 Basic Industry and Chemicals Sectors in the Indonesian Stock Exchange from 2020 to 2022. There should be 50 companies listed on IDX, but only 15 companies have complete data. Corporate social responsibility has been taken into account through various dimensions determined by the ISO 26000 standard. This includes: human rights, employment relations and conditions, the environment and financial performance. The impact of good corporate governance can improve a company's financial performance. This positive influence is also visible in terms of relationships and working conditions. However, this does not apply to human rights and environmental sustainability. There is no relationship between these variables and the company's financial performance. So the implementation of ISO 26000 by companies from Indonesia makes it possible to work better at the social level and financial environment. the importance of social responsibility in carrying out business activities.