

**THE EFFECT OF TUNNELING, PROFITABILITY, AND CSR
DISCLOSURE ON FINANCIAL PERFORMANCE**



SKRIPSI

Disusun untuk Memenuhi Syarat Menyelesaikan Pendidikan Sarjana
Terapan (D-IV) Akuntansi Sektor Publik pada Jurusan Akuntansi
Politeknik Negeri Sriwijaya

Oleh:

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POLITEKNIK NEGERI SRIWIJAYA

PALEMBANG

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**KEMENTERIAN PENDIDIKAN TINGGI, KEBUDAYAAN, RISET DAN
TEKNOLOGI**



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(DHIYA SALSABILA)

Bachelor in Accounting and Finance

THE EFFECT OF TUNNELING, PROFITABILITY, AND CSR DISCLOSURE ON FINANCIAL PERFORMANCE

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ABSTRACT

Financial performance in the mining sector remains a key concern for stakeholders due to the industry's exposure to corporate governance practices and social responsibility obligations. One significant problem is the limited understanding of how tunneling behavior, profitability, and Corporate Social Responsibility (CSR) disclosure collectively influence financial performance in Indonesian mining companies. This study aims to analyze the effect of tunneling, profitability, and CSR disclosure on financial performance among mining sector listed on the Indonesia Stock Exchange (IDX) for the period 2021-2023. Using a quantitative approach, the study employs secondary data and applies panel data regression analysis through Stata to evaluate the relationship between the independent variables—tunneling, profitability, and CSR disclosure—and the dependent variable, financial performance. The findings reveal that profitability has a statistically significant positive effect on financial performance, indicating that firms with stronger earnings potential are more likely to achieve better financial outcomes. Conversely, tunneling and CSR disclosure were found to have no significant effect on financial performance in this context. These results suggest that, within the mining sector, internal financial strength plays a more crucial role in driving performance than governance-related tunneling activities or external CSR initiatives. Theoretically, this study contributes to the ongoing discourse on corporate governance and financial outcomes by highlighting the dominant role of profitability. Practically, the findings offer valuable insights for company managers, investors, and policymakers to prioritize core operational efficiency over less impactful governance and disclosure factors when evaluating firm performance. Future research is encouraged to further explore the dynamic roles of tunneling and CSR practices over longer periods or across different sectors to assess their potential long-term impact on financial performance.

Keywords: Financial Performance, Tunneling, Profitability, CSR Disclosure

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