

THE INFLUENCE OF ISRA AWARD ON THE INVESTOR'S DECISIONS

ABSTRACT

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This study aims to find the evidence whether the implementation of Indonesian Sustainability Reporting Award (ISRA) is able to affect the investor's decision. This study uses the qualitative research method meanwhile, a content analysis of stock movement data for 5 days before and after the ISRA 2011 is chosen as the research measurement tool. ISRA itself constitutes an award held by the National Center for Sustainability Reporting (NCSR) which aims to motivate and accelerate the sustainability reporting of Indonesian companies by rewarding the outstanding attempts to communicate the corporate performance in three aspects (economics, social, and environment). Meanwhile, this award exists because Corporate Social Responsibility (CSR) activity that is undertaken by every company in Indonesia is required by the Government of Indonesia through the Law 25 of 2007 on Capital Investments and the Law 40 of 2007 on Limited Companies. It was found in this study that there was the difference in investor's decision. Such decision was expressed in three different forms of reactions, namely positive reaction, no reaction, and negative reaction.

Keywords: *Indonesian Sustainability Reporting Award (ISRA) 2011, Investor's Decision, Content Analysis, Corporate Social Responsibility (CSR), Positive Reaction, No Reaction, and Negative Reaction.*

INTRODUCTION

Globalization has changed the face of the world. According to Al - Rodhan (2006, p.3) globalization involves economic integration, the transfer of policies across borders, the transmission of knowledge, cultural stability, the reproduction, relations, and discourses of power. Furthermore, Larsson in Al – Rhodan (2006, p.3) stated that globalization is the process of world shrinkage, of distances getting shorter, and things moving closer. Meanwhile, in the globalization era, developed countries and

developing countries are linked through the principle of specialization and comparative advantage. Economic globalization can bring either positive or negative impacts to both countries. One of the positive impacts is many investors which can be involved to help building the developing countries economy, such as Indonesia. However, the negative side for the existence of the globalization is such as the environmental and the ecological destruction.

Much environmental pollution and ecological destruction cases have happened everywhere in Indonesia because of the existence of company business operation. Even, in current days, it is only less than half of Indonesia forest that our government has. Between 1990 and 2005, this country has lost more than 28 million hectares of forest, including 21.7 percent of the virgin forest (WWF, 2005). Nowadays, the number of forests in Indonesia are significantly decreased and destroyed due to logging, mining, plantation agriculture on a large scale, colonization, and other substantial activities, such as moving farm and cutting down for fuel wood.

According to Sukoharsono (2011) the Indonesian government paid the attention to the environment and ecological destruction by issuing the Law 25 of 2007 on Capital Investments and the Law 40 of 2007 on Limited Companies. Generally, both laws stated that every company operated in Indonesia is required to implement Corporate Social Responsibility (CSR). Today, many investors in Indonesia will take concerns to the obedience of company in applying the rule of CSR (green accounting). Learning and understanding the impacts of using CSR is important for the sustainability of tripple bottom line principle. According to Sukoharsono (2011, p.3) that:

People are willing to pay more for a product and service that is environmentally friendly. Many investors also concern to place a high value on environmental responsibility. As Guthrie and Parker (1989) stated, more and more businessmen today are going hands in hands to spend their moneys and thoughts to their environment.

Meanwhile, to appreciate the company's efforts in implementing CSR in Indonesia, therefore it is held a program initiated by the National Center for Sustainability Reporting (NCSR), namely Indonesian Sustainability Reporting Award (ISRA). ISRA is an award held by the National Center for Sustainability Reporting (NCSR) which aims to motivate and accelerate sustainability reporting of Indonesian companies by rewarding outstanding attempts to communicate corporate performance in three aspects (economics, social, and environment).

This research question is how the influence of CSR Award named ISRA on the investor's decisions is? The objective of research is to analyze the influences of CSR Award on the investor's decision. The scope of research is the shared data from the winning companies of ISRA 2011 along 5 days before the award announcement, which was on December 21, 2011, and 5 days after it.

REVIEW OF RELATED LITERATURE

Globalization Definitions

Larsson in Al - Rhodan (2006, p.3), stated that globalization constitutes a condition in which there is no longer barrier among the countries. It means somebody in one side of the world can communicate, trade and exchange something more easily with somebody in other side of the world. Meanwhile Friedman (2005) said that globalization makes everything possible for many people to plug in and play, and everyone will see every color of the human rainbow take part. Then, furthermore, he contended globalization as a flat world having platforms consisting of:

1. A personal computer that allows people to create and edit their own digital materials.
2. An internet connection often through fiber optic cable that allow every individual to access the digital content in the entire of the world.
3. Work flow software enables individuals from all over the world to collaborate in the same digital material.

Advantages and Disadvantages of Globalization

There are at least three benefits of Globalization:

1. Globalization can increase the per capita GDP growth for the countries which are involved in international trade.
2. Globalization has also helped to decrease poverty around the world.
3. Globalization can narrow the gap between the rich and the poor.

The disadvantages can get from globalization are:

1. The developing countries are involved in the international trade, but they can not or has no power to control economic agenda. It means the developed countries, such as United States and China still have big power to control the international trade.
2. Globalization can change the world cultures.
3. Globalization allows the exploitation of natural resources.

One of the advantages of globalization is poverty has been reduced, as evidenced by a 5.4 percent annual growth in income for the poorest fifth of the population of Malaysia. Even in China, where inequality continues to be a problem, the poorest fifth of the population saw a 3.8 percent annual growth in income. In several countries, those living below the dollar-per-day poverty threshold declined. In China, the rate declined from 20 to 15 percent and in Bangladesh the rate dropped from 43 to 36 percent. Meanwhile one of disadvantages of globalization is the effects of economic globalization on the youth in various world populations such as Arab, South American, South East-Asian, Caribbean, and African populations. As these populations are exposed to the english language, computers, western music, and north

american culture, changes are being noted in shrinking family size, immigration to larger cities, more casual dating practices, and gender roles are transformed.

Definition of CSR

According to KPMG (2008) Corporate Social Responsibility (CSR) is a business approach that creates long term shareholder value by embracing opportunities and managing risks deriving from economic, environment, and social developments. Corporate sustainability leaders achieve long term shareholder value by gearing their strategies and management to harness the market's potential for sustainability products and services while at the same time successfully reducing and avoiding sustainability costs and risks.

Legal Basis of CSR

Every company operating in Indonesia is obligated by the Government of Indonesia to implement corporate social responsibility (CSR) in order to create a balance between economics of a company, social welfare, and environmental protection. Furthermore, the rules which govern the obligations of the company in conducting CSR are The Law 25 of 2007 on Capital Investment and The Law 40 of 2007 on Limited Companies.

Principles of CSR

CSR involves triple bottom line (TBL) as the basic consideration. This TBL captures an expanded spectrum of values and criteria for measuring organizational (and societal) success: *economic, ecological, and social*. Moreover, the triple bottom line or 3P consists of three principles:

1. People in that the practices of business should be fair and beneficial toward labor community and region in which a company runs its business.
2. Planet that can be sustainable environmental practices. The key point for sustainable environmental practices is a corporation endeavors to benefit the natural order as much as possible or minimize the possible impacts to the environment affected by corporate business operation.
3. Profit that is based on common accounting definition constitutes the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital tied up. According to the concept of triple bottom line, the social profit should be included. It means "profit" should be enjoyed by the society and the environment of company besides the company itself. (Wikipedia)

Benefits of CSR

According to Tanaya in Andriani (2010) Corporate Social Responsibility has six benefits for the users, consisting of:

1. Creating new business opportunity

According to the triple bottom line, a company should be fair beneficial toward the community in which a company runs its business and a company can create the new business field for them.

2. Creating sustainable competitiveness

This sustainable competitiveness can be shown in five elements

- a. A company which implements the CSR in the daily operation can get the brand and reputation strengthening indirectly.
- b. A company which implements the CSR in the daily operation can make the operational more efficient.
- c. The efficient of the company business operational can directly increase the company's financial performance.
- d. A company which implements the CSR in the daily operation can make their sales and consumer's loyalty increase.
- e. A company which implements the CSR in the daily operation can attract and maintain high quality employees.

3. Attracting and maintaining high quality investor and business partner

One of the triple bottom line principles says that a company has to pay the attention to the environment in which a company runs its business. If a company has run this principle it will be many investors interested to spend their money.

4. Creating a new business opportunity for the community surrounding the company's business operation can increase the communication with indigenous community.

5. Government supports

Every government, including Indonesia requires every company to implement the CSR. The government support will be obtained when the CSR implementation has been executed.

6. Building political asset

When all companies in a country obey the law of government by practicing CSR, it shows the success of the government in managing the operations of the company.

Definition and Purpose of CSR Reporting

According to Sustainability Reporting Guidelines (2008) there is no single but universally accepted definition of sustainability reporting, meanwhile Sustainability Reporting Guidelines (2008) stated that the reporting of corporate social responsibility action has two main goals, namely

1. Stakeholder Perspective Based

The publication of sustainability reports provides an avenue to benchmark and assess performance with respect to laws, norms, codes, performance standards and voluntary initiatives. Reporting also demonstrates how the company influences and is influenced by expectations about sustainable development.

2. Regulatory Perspective Based

There are currently no legislated requirements for companies to prepare and publish sustainability reports in Indonesia. However, companies may be required to disclose sustainability information within the scope of specific regulatory requirements.

Components of CSR Reporting

According to the associate partner of Mel Wilson, there should be eight key components for preparation of Corporate Social Responsibility (CSR) report, namely

1. Scope of Report

The first thing readers need to see is a "road map" that tells them what is in the report and what is not. Usually readers have to infer what is not covered, but some companies explicitly identify information that is not in the report. The report scope should also contain a description of the process and criteria that were used to determine the information that has been included.

2. Description of Company and its Operations

The descriptions of company and its operations are important to be inserted in the report, because it explains the general information of company. This should contain information such as who runs the company, what the company does and where it operates.

3. Performance Domain

Most corporate sustainability reports take a "triple-bottom-line" approach by covering three performance domains: social, economic, and environmental.

4. The Specific Issues of Interests to Stakeholders

There are many issues within each performance domain and it is critical that the company makes an effort to determine which are of interest to the company's stakeholders and which are not. Once the important issues are identified, they should be clearly presented in the report along with an explanation of why the issue is important and how it relates to the company's performance.

5. The Policies and Perspectives to Issues of Company

Once introduced, the company's CSR report should articulate where the company stands vis-a-vis the issue, either by describing the management policies or through a more general discussion that reflects management's perspective.

6. The Action to Manage the Issues

The CSR report should talk about what the management of company is actually doing about the issue. The goal is to demonstrate that a company not make a concept of an issue only, but realize the concepts. This section should contain numerous brief action-oriented examples of what a company did in the previous year to address the issue.

7. Performance Indicators

The CSR report should present quantitative performance indicators related to each issue. For many stakeholders, this is the proof-in-the-pudding moment. A management of company can talk about the programs all they want, but in the end they have to measure their performance and show the progress.

8. Future Goals and Targets

The CSR report should conclude with a brief discussion of future performance goals and targets relating to the issues. The concept of including goals and targets in a sustainability report is a relatively contentious issue. In general, the management of company should not set out detailed goals and targets unless they are confident that the performance metrics are accurately measured, and they have a reasonably well thought out plan to achieve the targets.

Standards of CSR Reporting

According to Sustainability Reporting Guidelines (2008), many international standards of report are used by companies to apply the preparation of corporate social responsibility report. One of the CSR report standards is the GRI Sustainability Report which provides an important, widely adopted framework for such reporting applicable to companies across all industry sectors. Meanwhile, GRI is the abbreviation of Global Reporting Initiative which is a non-profit organization that promotes economic, environmental and social sustainability (globalreporting.org). According to Wikipedia, another standard of CSR report is Accountability 1000 (AA 1000) which is promoted as a standard for the measuring and reporting of ethical behavior in business.

Definition of CSR Award

Corporate Social Responsibility Award is an appreciation given to the company which provides contributions to social development and ecological system, besides the sustainability of company's business operation is also important. Today, the companies as the business players are not required to take concern to their surrounding only, but there should be an appreciation as their achievement in form of this award.

There are many kinds of CSR award in international business practice and Indonesia business practice. One of the International CSR Awards is World's Most Admired Companies held by Fortune Magazine. One of CSR Awards in Indonesia is called as Indonesian Sustainability Reporting Award (ISRA). The writer as the researcher then focuses on ISRA 2011.

Indonesian Sustainability Reporting Award (ISRA) and The National Center for Sustainability Reporting (NCSR)

According to Government Law, (Article 66.C of the Limited Liability Company Law no. 40 Year 2007), Indonesian companies are required to disclose their social and environmental responsibilities through their annual financial reports. From here, it is a short step to the concept of integrated sustainability reporting: this refers to the combination of financial and sustainability-related information into a single, annually-produced report. This obligation makes The National Center for Sustainability Reporting (NCSR) needs to create a program called Indonesian

Sustainability Reporting Award (ISRA) as trigger for companies in using and implementing the CSR standard. (NCSR)

Indonesian Sustainability Reporting Award (ISRA) is an award for companies using and implementing corporate social responsibilities report into their business in Indonesia. ISRA is held by The National Center for Sustainability Reporting (NCSR). NCSR is the main organization in Indonesia which promotes and provides the capacity building on Sustainability Reporting since its establishment in 2005. Since 2006, this organization has been the Organizational Stakeholder of the Global Reporting Initiative (GRI) and starting May 2011 the NCSR has been appointed the first GRI Certified Training Partner for the region of Malaysia, Indonesia and Thailand. Since 2010, NCSR was also the a Licensed Assurance Provider for Sustainability Reporting based on the Accountability (AA1000AS) standards. (NCSR)

Definition and Types of Stakeholder

Freeman in Fontaine, Haarman, and Schmidt (2006, p.3) stated that the definition of a stakeholder is any group or individual who can affect or is effected by the achievement of the organization's objectives. Based on that definition, a stakeholder is not the management of company only, but there are other parties which have a relationship in the corporate business. The company's stakeholder has the relationship with the sustainability report. In addition Sustainability Report Guidelines (2008) stated there are many types of company's stakeholder namely board and senior management team, employees, investors, governments and regulators, customers, lenders, suppliers, non-government organizations (NGO), the public.

Influencing Factors related Investor's Decisions

An investor constitutes a person or entity that purchases assets with the objective of receiving a financial return. An investor is distinguished from a speculator, who seeks to make quick, large gains from price increases on risky assets. However, there are several factors as the consideration for the investor to put their trust to a company, namely (respectively)

1. Company Earnings

The earnings of a company is a comparison of the assets and the liabilities. The liabilities which a company has make an investor to consider the risk arise.

2. Company Growth

Any firm whose business generates significant positive cash flows or earnings, which increase at significantly faster rates than the overall economy. A growth company tends to have very profitable reinvestment opportunities for its own retained earnings.

3. Economic Condition of a Country

Economic conditions change over time in line with the economic and business cycle, as an economy goes through expansion and contraction. A country's

economic conditions are influenced by numerous macroeconomic and microeconomic factors, including monetary and fiscal policy, the state of the global economy, unemployment levels, productivity, exchange rates, inflation and so on.

4. Oil Prices

The price of the oil is not always the same. Furthermore, the prices of oil and the stock market works in opposite direction, with the increase in oil price leads to the decrease of the return in the stock market, likewise decrease in oil prices leads to the increase in the return of Stock market.

5. Inflation

Inflation constitutes the rate at which the general level of prices for goods and services rises, and, subsequently, purchasing power falls. Central banks attempt to stop severe inflation, along with severe deflation, in an attempt to keep the excessive growth of prices to a minimum.

6. World News

World issues can be one of the factors considered by the investor. One of examples is when the Unites States subprime mortgage crisis happened in 2007, it makes the world economic condition was not stable. The impact was the export of some countries can not be absorbed into the United States and the stock market came affected.

7. Company News

One of company news which may attract the interest of an investor is when a company receives an award of ISRA because of its implementation of CSR.

RESEARCH METHOD

According to the research questions, the author of this study uses a qualitative – interpretive perspective form to explain the investor decision regarding the company receiving ISRA Award, meanwhile a content analysis is chosen as the research measurement tool. Denzin and Lincoln (1994, p.7) paraphrase Nelson et al.'s (1992, p.4) stated that a qualitative research is an interdisciplinary, trans-disciplinary, and sometimes counter-disciplinary field. Furthermore, the characteristics of qualitative research mentioned above are *firstly*, a researcher conducts the research on natural background in which the natural ontology requires some facts as the wholeness. *Secondly*, a researcher acts as an instrument to collect main data. *Third*, a researcher uses the qualitative method in form of, such as observation, interview and supported data searching. While, Denzin and Lincoln stated that content analysis is to review documents for general categories and a researcher can analyze a variety of documents for the need of research.

The source of data in this research is obtained from the data of the stock movement of company listed in Indonesian Stock Exchange (IDX) in period of 2011. The sampling used in this study is a *purposive sampling method*. Oliver (2013) stated

a purposive sampling method is a form of non-probability sampling in which decisions concerning the selected samples are taken by the researcher and based on a variety of criteria. Furthermore, the criteria of the sample in this study are:

1. Companies which was as the Indonesian Sustainability Reporting Award (ISRA) 2011 receiver.
2. Companies which was in the first criterion was listed on the Jakarta Stock Exchange (JSX).

Based on the sampling method and the sample criteria, the selected sample presented in this study are:

1. PT. Telekomunikasi Indonesia (persero), Tbk
2. PT. International Nickel Indonesia, Tbk
3. PT. Aneka Tambang (persero), Tbk
4. PT. Astra International, Tbk
5. PT. Semen Gresik, Tbk
6. PT. Perusahaan Gas Negara, Tbk
7. PT. Wijaya Karya, Tbk
8. PT. Bank Rakyat Indonesia, Tbk
9. PT. Bank Mandiri, Tbk
10. PT. Indosat, Tbk
11. PT. Bakrie Sumatra Plantations, Tbk

In addition, the method of data collection used in this study is observing and documentation method. The investor's decisions in this study which was represented by the stock price change can be reflected in three reactions, namely

1. Positive Reaction
2. No Reaction
3. Negative Reaction

RESEARCH FINDINGS AND DISCUSSION

In this part, a writer of this study reviews documents for general categories and analyzes a document for the need of research. Furthermore, the document which was selected for the purpose of the research analysis is the stock movements of the selected companies. In addition, the analysis of the stock price is made by comparing the closing price at the daily transaction with the closed price at the announcement day of ISRA 2011. This comparison had a result on the percentages of the closed price at the daily transaction and the average percentage of the closed price. This analysis has a goal, which is to determine the research findings, at the end. Below is the following analysis regarding the stock price movements and the investor's reactions:

1. PT. Telekomunikasi Indonesia (persero), Tbk

Table 4.1
PT. Telkom's Stock Movements

5 days before ISRA 2011

Date	Closing Price (per share)	Stock Transaction Volume (shares)	Closing Price (%)	Stock Transaction Volume (%)
14/12/2011	7.100	7.224.000	100,00	29,77
15/12/2011	7.150	21.306.500	100,70	87,80
16/12/2011	7.150	6.582.500	100,70	27,12
19/12/2011	7.050	12.016.500	99,30	49,52
20/12/2011	7.000	25.250.500	98,59	104,05
Total	35.450	72.380.000		
Average	7.090	14.476.000	99,86	59,65

The Announcement Day of ISRA 2011

21/12/2011	7.100	24.268.000	100,00	100,00
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5 days after ISRA 2011

Date	Closing Price (per share)	Stock Transaction Volume (shares)	Closing Price (%)	Stock Transaction Volume (%)
22/12/2011	7.150	4.899.000	100,70	20,19
23/12/2011	7.150	3.517.500	100,70	14,49
27/12/2011	7.200	3.745.500	101,41	15,43
28/12/2011	7.050	13.480.500	99,30	55,55
29/12/2011	7.150	9.322.000	100,70	38,41
Total	35.700	34.964.500		
Average	7.140	6.992.900	100,56	28,82

Apparently, the achievement of PT. Telekomunikasi Indonesia (persero), Tbk in ISRA 2011 brought a slight impact on the stock price. There was a *positive reaction* in the five days after the announcement day. It was shown by the average percentage of the company's stock price at the five days after the event was higher than the closing price at the announcement day. In addition, otherwise the average percentage of the closing price before the event reflected that there was a *negative reaction*.

2. PT. International Nickel Indonesia, Tbk

Table 4.2
PT. International Nickel Indonesia, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	3.100	3.496.500	101,64	158,03
15/12/2011	3.050	5.289.000	100,00	239,05
16/12/2011	3.075	3.207.500	100,82	144,97
19/12/2011	3.050	1.684.500	100,00	76,14
20/12/2011	3.000	6.314.000	98,36	285,38
Total	15.275	19.991.500		
Average	3.055	3.998.300	100,16	180,71

The Announcement Day of ISRA 2011

21/12/2011	3.050	2.212.500	100	100
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	3.025	1.292.500	99,18	58,42
23/12/2011	3.050	1.374.500	100,00	62,12
27/12/2011	3.100	2.616.000	101,64	118,24
28/12/2011	3.200	3.102.500	104,92	140,23
29/12/2011	3.250	4.607.500	106,56	208,25
Total	15.625	12.993.000		
Average	3.125	2.598.600	102,46	117,45

Seemingly, the average of the stock price before and after the ISRA 2011 was the same greater than the average one at the announcement day. There was a *positive reaction* from the investor for either their reaction before or after the event. Eventhough the positive reaction after the event was higher in percentage than the reaction before the announcement day. Moreover, it indicates the achievement of PT. International Nickel Indonesia, Tbk in ISRA 2011 brought a positive impact on the stock price.

3. PT. Aneka Tambang (persero), Tbk

Table 4.3
PT. Aneka Tambang (persero), Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	1.620	4.096.500	100,62	142,51
15/12/2011	1.600	6.151.000	99,38	213,99
16/12/2011	1.610	5.306.000	100,00	184,59
19/12/2011	1.600	9.053.000	99,38	314,94
20/12/2011	1.600	5.146.000	99,38	179,02
Total	8.030	29.752.500		
Average	1.606	5.950.500	99,75	207,01

The Announcement Day of ISRA 2011

21/12/2011	1.610	2.874.500	100,00	100,00
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	1.610	3.509.500	100,00	122,09
23/12/2011	1.620	3.294.000	100,62	114,59
27/12/2011	1.610	3.191.500	100,00	111,03
28/12/2011	1.620	3.802.500	100,62	132,28
29/12/2011	1.630	3.492.000	101,24	121,48
Total	8.090	17.289.500		
Average	1.618	3.457.900	100,50	120,30

It indicates the achievement of PT. Aneka Tambang (persero), Tbk in ISRA 2011 brought a positive impact on the stock price. There was a *positive reaction* from the investor after the event. It was shown by the average percentage of the company's stock price at the five days after the event was higher than the closing price before

and at the announcement day. In addition, otherwise the average percentage of the closing price before the event reflected that there was *a negative reaction*.

4. PT. Astra International, Tbk

Table 4.4
PT. Astra International, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	72.000	3.036.500	98,56	121,95
15/12/2011	69.050	6.243.500	94,52	250,74
16/12/2011	71.150	4.138.500	97,40	166,20
19/12/2011	72.150	2.054.000	98,77	82,49
20/12/2011	71.700	1.582.000	98,15	63,53
Total	356.050	17.054.500		
Average	71.210	3.410.900	97,48	136,98

The Announcement Day of ISRA 2011

21/12/2011	73.050	2.490.000	100	100
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	73.600	1.439.500	100,75	57,81
23/12/2011	73.700	1.221.500	100,89	49,06
27/12/2011	74.000	687.000	101,30	27,59
28/12/2011	73.250	1.029.000	100,27	41,33
29/12/2011	74.000	1.475.000	101,30	59,24
Total	368.550	5.852.000		
Average	73.710	1.170.400	100,90	47,00

There was *a positive reaction* from the investor. It was shown by the average percentage of the company's stock price at the five days after the event was higher than the closing price before and at the announcement day. Moreover, it indicates the achievement of PT. Astra International, Tbk in ISRA 2011 brought a positive impact

on the stock price after the event. In addition, otherwise the average percentage of the closing price before the event reflected that there was *a negative reaction*.

5. PT. Semen Gresik, Tbk

Table 4.5
PT. Semen Gresik, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	10.750	12.278.000	98,62	182,36
15/12/2011	10.300	9.582.500	94,50	142,32
16/12/2011	10.350	17.107.000	94,95	254,08
19/12/2011	10.850	6.898.500	99,54	102,46
20/12/2011	10.600	9.508.500	97,25	141,22
Total	52.850	55.374.500		
Average	10.570	11.074.900	96,97	164,49

The Announcement Day of ISRA 2011

21/12/2011	10.900	6.733.000	100,00	100,00
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	11.100	9.968.000	101,83	148,05
23/12/2011	10.750	4.710.000	98,62	69,95
27/12/2011	10.950	1.533.000	100,46	22,77
28/12/2011	11.000	2.232.000	100,92	33,15
29/12/2011	11.000	3.192.000	100,92	47,41
Total	54.800	21.635.000		
Average	10.960	4.327.000	100,55	64,27

There was *a positive reaction* from the investor. It was shown by the average percentage of the company's stock price at the five days after the event was higher than the closing price before and at the announcement day. Moreover, it indicates the achievement of PT. Semen Gresik, Tbk in ISRA 2011 brought a positive impact on

the stock price. In addition, otherwise the average percentage of the closing price before the event reflected that there was *a negative reaction*.

6. PT. Perusahaan Gas Negara, Tbk

Table 4.6
PT. PGN, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	3.125	21.763.500	96,90	156,61
15/12/2011	3.050	30.671.000	94,57	220,71
16/12/2011	3.125	17.061.500	96,90	122,78
19/12/2011	3.125	12.437.000	96,90	89,50
20/12/2011	3.150	12.136.500	97,67	87,33
Total	15.575	94.069.500		
Average	3.115	18.813.900	96,59	135,39

The Announcement Day of ISRA 2011

21/12/2011	3.225	13.896.500	100,00	100,00
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	3.200	7.113.000	99,22	51,19
23/12/2011	3.225	7.474.500	100,00	53,79
27/12/2011	3.200	6.800.500	99,22	48,94
28/12/2011	3.150	8.073.000	97,67	58,09
29/12/2011	3.175	19.489.000	98,45	140,24
Total	15.950	48.950.000		
Average	3.190	9.790.000	98,91	70,45

Seemingly, the average of the stock price before and after the ISRA 2011 were the same smaller than the average one at the announcement day. There was *a negative reaction* from the investor for either the reaction before or after the event.

Moreover, it indicates the achievement of PT. Perusahaan Gas Negara, Tbk in ISRA 2011 can not bring the positive impact on the stock price.

7. PT. Wijaya Karya, Tbk

Table 4.7
PT. Wijaya Karya, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	600	23.377.500	102	266
15/12/2011	620	19.663.000	105	224
16/12/2011	630	16.675.000	107	190
19/12/2011	600	8.206.500	102	93
20/12/2011	590	4.057.000	100	46
Total	3.040	71.979.000		
Average	608	14.395.800	103	164

The Announcement Day of ISRA 2011

21/12/2011	590	8.795.000	100	100
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	600	22.039.500	102	251
23/12/2011	600	6.159.000	102	70
27/12/2011	580	2.461.000	98	28
28/12/2011	590	2.096.000	100	24
29/12/2011	590	1.458.500	100	17
Total	2.960	34.214.000		
Average	592	6.842.800	100	78

It indicates the achievement of PT. Wijaya Karya, Tbk in ISRA 2011 can not bring a positive impact on the stock price. The evidence was the investor gave *no*

reaction. In addition, otherwise the average percentage of the closing price before the event reflected that there was a *positive reaction*.

8. PT. Bank Rakyat Indonesia, Tbk

Table 4.8
PT. Bank Rakyat Indonesia, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	6.600	13.396.000	94,29	59,89
15/12/2011	6.500	29.618.000	92,86	132,40
16/12/2011	6.800	39.740.000	97,14	177,65
19/12/2011	6.800	10.986.000	97,14	49,11
20/12/2011	6.900	25.156.500	98,57	112,46
Total	33.600	118.896.500		
Average	6.720	23.779.300	96	106,30

The Announcement Day of ISRA 2011

21/12/2011	7.000	22.369.500	100	100
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	6.850	19.408.500	97,86	86,76
23/12/2011	6.850	14.199.500	97,86	63,48
27/12/2011	6.850	9.892.000	97,86	44,22
28/12/2011	6.700	11.388.500	95,71	50,91
29/12/2011	6.750	13.548.500	96,43	60,57
Total	34.000	68.437.000		
Average	6.800	13.687.400	97,14	61,19

Apparently, the average of the stock price before and after the ISRA 2011 were the same smaller than the average one at the announcement day. There was a *negative reaction* from the investor for either the reaction before or after the event.

Moreover, it indicates the achievement of PT. Bank Rakyat Indonesia, Tbk in ISRA 2011 can not bring the positive impact on the stock price.

9. PT. Bank Mandiri, Tbk

Table 4.9
PT. Bank Mandiri, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	6.450	14.277.000	94,16	42,19
15/12/2011	6.450	37.873.000	94,16	111,92
16/12/2011	6.700	67.441.000	97,81	199,30
19/12/2011	6.800	36.958.500	99,27	109,22
20/12/2011	6.850	29.846.500	100,00	88,20
Total	33.250	186.396.000		
Average	6.650	37.279.200	97,08	110,16

The Announcement Day of ISRA 2011

21/12/2011	6.850	33.839.500	100,00	100,00
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	6.750	13.847.000	98,54	40,92
23/12/2011	6.800	15.831.500	99,27	46,78
27/12/2011	6.750	7.280.500	98,54	21,51
28/12/2011	6.600	11.990.500	96,35	35,43
29/12/2011	6.700	18.959.000	97,81	56,03
Total	33.600	67.908.500		
Average	6.720	13.581.700	98,10	40,14

Apparently, the average of the stock price before and after the ISRA 2011 was the same smaller than the average one at the announcement day. There was a *negative reaction* from the investor for either the reaction before or after the event. Moreover,

it indicates the achievement of PT. Bank Mandiri, Tbk in ISRA 2011 can not bring the positive impact on the stock price.

10. PT. Indosat, Tbk

Table 4.10
PT. Indosat, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	5.250	987.500	97,22	71,35
15/12/2011	5.300	1.675.500	98,15	121,06
16/12/2011	5.450	623.000	100,93	45,01
19/12/2011	5.350	598.500	99,07	43,24
20/12/2011	5.300	428.000	98,15	30,92
Total	26.650	4.312.500		
Average	5.330	862.500	98,70	62,32

The Announcement Day of ISRA 2011

21/12/2011	5.400	1.384.000	100	100
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	5.400	1.119.000	100,00	80,85
23/12/2011	5.250	1.815.500	97,22	131,18
27/12/2011	5.350	750.500	99,07	54,23
28/12/2011	5.250	728.000	97,22	52,60
29/12/2011	5.500	826.500	101,85	59,72
Total	26.750	5.239.500		
Average	5.350	1.047.900	99,07	75,72

The investor gave a *negative reaction* WHICH was shown by the average percentage of the company's stock price at the five days before and after the event was the same lower than the closing price at the announcement day. Moreover, it

indicates the achievement of PT. Indosat, Tbk in ISRA 2011 can not bring a positive impact on the stock price.

11. PT. Bakrie Sumatera Plantations, Tbk

Table 4.11
PT. Bakrie Sumatra Plantations, Tbk's Stock Movements

5 days before ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
14/12/2011	280	106.513.000	96,55	236,06
15/12/2011	275	16.067.500	94,83	35,61
16/12/2011	285	70.409.500	98,28	156,05
19/12/2011	280	25.481.000	96,55	56,47
20/12/2011	285	54.142.500	98,28	120,00
Total	1.405	272.613.500		
Average	281	54.522.700	96,90	120,84

The Announcement Day of ISRA 2011

21/12/2011	290	45.120.500	100,00	100,00
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5 days after ISRA 2011

Date	Closed Price (per share)	Stock Transaction Volume (shares)	Closed Price (%)	Stock Transaction Volume (%)
22/12/2011	295	73.370.000	101,72	162,61
23/12/2011	290	29.348.000	100,00	65,04
27/12/2011	280	9.062.500	96,55	20,09
28/12/2011	280	39.619.000	96,55	87,81
29/12/2011	280	25.633.500	96,55	56,81
Total	1.425	177.033.000		
Average	285	35.406.600	98,28	78,47

The result is the investor gave a *negative reaction*. It was shown by the average percentage of the company's stock price at the five days before and after the event was the same lower than the closing price at the announcement day. Moreover,

it indicates the achievement of PT. Bakrie Sumatera Plantations, Tbk in ISRA 2011 can not bring a positive impact on the stock price.

According to the result of the investor's reactions on each selected company, below is the research findings:

No	The Name of Company	Investor's Decision	
		Before ISRA 2011	After ISRA 2011
1	PT. Telekomunikasi Indonesia (persero), Tbk	<i>Negative Reaction</i>	<i>Positive Reaction</i>
2	PT. International Nickel Indonesia, Tbk	<i>Positive Reaction</i>	<i>Positive Reaction</i>
3	PT. Aneka Tambang (persero), Tbk	<i>Negative Reaction</i>	<i>Positive Reaction</i>
4	PT. Astra International, Tbk	<i>Negative Reaction</i>	<i>Positive Reaction</i>
5	PT. Semen Gresik, Tbk	<i>Negative Reaction</i>	<i>Positive Reaction</i>
6	PT. Perusahaan Gas Negara, Tbk	<i>Negative Reaction</i>	<i>Negative Reaction</i>
7	PT. Wijaya Karya, Tbk	<i>Positive Reaction</i>	<i>No Reaction</i>
8	PT. Bank Rakyat Indonesia, Tbk	<i>Negative Reaction</i>	<i>Negative Reaction</i>
9	PT. Bank Mandiri, Tbk	<i>Negative Reaction</i>	<i>Negative Reaction</i>
10	PT. Indosat, Tbk	<i>Negative Reaction</i>	<i>Negative Reaction</i>
11	PT. Bakrie Sumatra Plantations, Tbk	<i>Negative Reaction</i>	<i>Negative Reaction</i>

CONCLUSION AND RECOMMENDATION

The study concludes that there was the difference in investor's decision regarding the announcement of Indonesian Sustainability Reporting Award (ISRA) 2011. Such decision was expressed in three different forms of reactions, namely

- a. Positive reaction
- b. No reaction
- c. Negative Reaction

Moreover, below is the additional conclusion of the research:

1. The study results regarding the announcement of Indonesian Sustainability Reporting Award (ISRA) 2011 revealed the positive reaction before the event was acquired by two companies, meanwhile the positive reaction after the event was successfully acquired by five companies.
2. The study results regarding the announcement of Indonesian Sustainability Reporting Award (ISRA) 2011 revealed no reaction that was only acquired by one company.
3. The study results regarding the announcement of Indonesian Sustainability Reporting Award (ISRA) 2011 revealed the negative reaction either before or

after was acquired by five companies, meanwhile there was four companies which acquired negative reaction before the event.

According to the study result in this study, the author suggests that the more accurate result will be obtained by using the larger number of samples and the addition of study period which is related to Corporate Social Responsibility that will probably show the impacts of Indonesian Sustainability Reporting Award on the investor's decision.

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