

Abstract

The research was conducted to analyze the effect of financial ratio and corporate social responsibility (CSR) on financial distress as measured using Altman Z-Score. Financial ratios in this study consists of profitability ratio, liquidity ratio, and leverage ratio variables. The research used quantitative methods with the sample from energy and basic materials sector companies listed on the Indonesia Stock Exchange (IDX) which publish annual financial reports and sustainability reports in 2019-2022. The sample was selected using purposive sampling method so that 26 companies were obtained. The independent variables in this study are financial ratio and corporate social responsibility (CSR) and control variables consisting of firm size, firm age, and board independence. The results of the study showed that the variable profitability ratio and liquidity ratio had a negative effect on financial distress. Meanwhile, leverage ratio has no effect on financial distress. The next research result is that corporate social responsibility has a positive effect on financial distress.

Keywords: *financial ratio, profitability ratio, liquidity ratio, leverage ratio, return on asset, current ratio, debt to asset ratio, corporate social responsibility, firm size, firm age, board independence, financial distress*

Intisari

Penelitian dilakukan untuk menganalisis pengaruh *financial ratio* dan *corporate social responsibility* (CSR) terhadap *financial distress* yang diukur menggunakan Altman Z-Score. *Financial ratio* dalam penelitian ini terdiri dari variabel *profitability ratio*, *liquidity ratio*, dan *leverage ratio*. Penelitian menggunakan metode kuantitatif dengan sampel dalam penelitian merupakan perusahaan sektor *energy* dan *basic materials* yang terdaftar di Bursa Efek Indonesia (BEI) yang menerbitkan laporan keuangan tahunan dan *sustainability report* tahun 2019-2022. Sampel dipilih menggunakan metode *purposive sampling* sehingga diperoleh sebanyak 26 perusahaan. Variabel independen dalam penelitian ini adalah *financial ratio* dan *corporate social responsibility* (CSR) serta variabel kontrol yang terdiri dari *firm size*, *firm age*, dan *board independence*. Hasil dari penelitian menunjukkan bahwa variabel *profitability ratio* dan *liquidity ratio* berpengaruh dengan arah negatif terhadap *financial distress*. Sedangkan, *leverage ratio* tidak berpengaruh terhadap *financial distress*. Hasil penelitian selanjutnya adalah *corporate social responsibility* berpengaruh dengan arah positif terhadap *financial distress*.

Kata kunci: *financial ratio*, *profitability ratio*, *liquidity ratio*, *leverage ratio*, *return on asset*, *current ratio*, *debt to asset ratio*, *corporate social responsibility*, *firm size*, *firm age*, *board independence*, *financial distress*