

## ABSTRACT

*This study investigates the influence of the regulatory focus, performance measurement towards Corporate Social Responsibility (CSR) investment decisions. This study is based on the regulatory focus theory, behavior that leads to goals are governed by two different motivational systems, namely the promotion focus or prevention focus. The regulatory focus will lead directly to strategic decision making. There are differences in strategic means that are appropriate between the promotion focus and prevention focus in achieving goals.*

*This study used an experimental method with a 2x2 inter factorial design involving 144 participants. Data were analyzed using the Analysis of Variance, t-test, and contrast test. This study provides evidence that the regulatory focus influences CSR investment decisions positively. Individuals with a prevention focus who would prefer CSR investments compared to the promotion focus because CSR investment decisions are in accordance with the prevention focus in fulfilling company obligations and responsibilities.*

*This study shows that financial and CSR measurement performance effect on CSR investment decisions positively. The performance measurement can motivate managers in CSR investment decisions. Financial and CSR performance measurement have complementary and substitute characteristics. Complementary measurement shows that there is a relationship between CSR and financial measurement when CSR performance is achieved, it will encourage financial performance, whereas substitute measures show no relationship between CSR and financial performance measurement. This study shows that managers will prefer CSR investments when complementary performance measurement are compared to substitute performance measurement. The attachment between complementary performance measurement can mitigate the effects of heuristic bias on investment choices that only focus on financial measurement.*

*The results of this study provide evidence of individual factors (regulatory focus) and situational factors (performance measurement) that are effective in encouraging CSR investment decisions. In the condition that managers have a focus on prevention and complementary measurement will result in the greatest CSR investment decisions. The results of this study confirm the regulatory fit theory that individuals will feel the decision is more valuable if there is a fit between the regulatory focus and the means are taken. The results of this study imply to activate prevention focus of manager and use of complementary measurement performance to increase CSR investment.*

*Keywords: Regulatory focus, performance measurement, complementary, substitute, CSR investment decisions, regulatory focus theory.*



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**PENGARUH FOKUS REGULATORI DAN PENGUKURAN KINERJA TERHADAP KEPUTUSAN  
INVESTASI TANGGUNG JAWAB SOSIAL  
PERUSAHAAN**

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