ISSN: 2460 – 7223

The Influence of CEO Narcissism on Financial Performance with Corporate Social Responsibility (CSR) as a Mediating Variable

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***Abstract*—In Indonesia, one of the state-owned companies, namely Garuda Indonesia, manipulated the financial statements in 2018. The case began with the results of Garuda Indonesia's financial statements for the 2018 financial year, which posted a net profit of USD 809.85 thousand, or Rp. 11.33 billion (assuming an exchange rate of Rp. 14,000 per US dollar). There was an error in recording receivables that had not been received but had been recorded as income by PT. Mahata Aero Teknologi related to wi-fi on board installation. Financial statement fraud was due to the President Director (CEO) of PT Garuda Indonesia controlling all its employees to act according to their wishes. This study aims to determine the influence of CEO narcissism on financial performance mediated by corporate social responsibility (CSR). The type of research used was quantitative research using causal associative methods. The sampling technique used was purposive sampling, namely selecting samples with certain criteria and producing as many as 17 observations of state-owned companies in 2018–2021. Data analysis in this study used multiple linear regression analysis.**

Keywords— ***CEO Narcissism, Financial Performance, Corporate Social Responsibility (CSR)***

I. INTRODUCTION

Financial performance is a financial condition in which this financial condition shows the success rate of achievement of the company. The success of financial performance can be seen from how the company can continue to increase its profits because its profit can show its prospects. According to [1], financial performance is the achievement of a company during a certain period of financial management, so with achievements, a company can show how it performs. Companies typically use financial ratio analysis to measure a company's financial performance, return on assets (ROA), and Tobin's q. The company's financial performance is influenced by many things, one of which is how the leader plays a role and behaves in the company itself. The role and behavior of the company's leadership are usually referred to as the "President Director" or "Chief Executive Officer" (CEO) [2].

According to [3], CEOs have unique characteristics that can determine a decision in determining a company's strategy and will impact the company's financial performance. One example of how the Chief Executive Officer (CEO) can influence the company's performance is narcissistic behavior. Narcissistic behavior is self-love that tends to lead to selfishness [2]. Narcissism is considered a negative behavior and personality that does not care about the existence of others. However, a CEO with a narcissistic personality is seen as a charismatic leader with a company vision to achieve a high mission. Powerful Narcissism CEOs are also known to compensate for self-esteem by showing that they are superior to others. In other words, it emphasizes self-beliefs and ignores the opinions and feelings of others to avoid being criticized by others [4]. According to [5], a CEO with high narcissism will try to protect the good name of the company and its good name from things that can degrade the value and performance of a company.

An interesting phenomenon in Indonesia is one of the state-owned companies, namely Garuda Indonesia, which manipulated financial statements in 2018. PPPK and OJK decided that there was something wrong with the presentation of GIAA's 2018 financial statements. The case of the influence of the ruling CEO on the company occurred in PT. Garuda Indonesia, Tbk. The case originated from the results of Garuda Indonesia's financial statements for the 2018 financial year, which posted a net profit of USD 809.85 thousand, equivalent to Rp 11.33 billion (assuming an exchange rate of Rp 14,000 per US dollar). The financial statements caused a polemic because two Garuda Indonesia commissioners, Chairal Tanjung and Dony Oskaria (currently out of office), considered Garuda Indonesia's 2018 financial statements inconsistent with the Statement of Financial Accounting Standards (PSAK). The audit findings stated that there was an error in recording receivables that had not been received but had been recorded as income by PT. Mahata Aero Teknologi related to wi-fi on board installation. Financial statement fraud was due to the President Director (CEO) of PT. Garuda Indonesia controls all its employees to act according to their wishes. The company was asked to re-present its financial statements and was subject to a fine of Rp. 100 million, along with the directors and commissioners who signed the financial statements. The Financial Services Authority (OJK) investigated this case until finally, in mid-June 2019, the OJK reprimanded the public accountant who conducted the audit and imposed a fine on the board of directors of Garuda Indonesia. The case shows that a CEO who is in power and can take actions that benefit himself will make the financial statements no longer be of quality.

(https://economy.okezone.com/read/2019/06/28/320/2072245/kronologi-kasus-laporan-keuangan-garuda-indonesia-hingga-kena-sanksi)

Based on the example of the case above, it can be concluded that financial performance can be described as the use of policies by managers to compile financial transactions and change accounting information to mislead users of financial statements [6]. Actually, behind every corporate accounting scandal, top executives such as chief executive officers (CEOs) and chief financial officers (CFOs) have taken part [7].

An important strategic decision recently attributed to the CEO of Narcissism is the company's involvement in Corporate Social Responsibility (CSR). "CSR initiatives may result from a leader's personal need for attention and image strengthening and how such initiatives may be less strategic, in terms of financial performance and focus for their organization." Narcissistic CEOs constantly seek praise and recognition, and CSR may allow them to earn praise from internal and external stakeholders. Investment in CSR can help attract media attention, thus giving a narcissistic impression [8].

[9] conducted research entitled "CEO narcissism and corporate social responsibility: Does CEO narcissism affect CSR focus?" The results of the study show that there is an overall positive relationship between CEO narcissism and CSR. Similar results align with a study by [10] entitled How CEO narcissism affects corporate social responsibility choice. The results of the study show that narcissistic CEOs have a positive effect on CSR disclosure. [4] also conducted research entitled Is Narcissism Sustainable in CEO Leadership of State-Owned Enterprises? The results showed that narcissistic CEOs are related to positive directions toward the performance of SOEs. The resulting positive effect is obtained from accounting profit management decisions. However, this relationship changed as the CEO's tenure grew longer. As the service life gets longer, the CEO's narcissism negatively affects the performance of state-owned enterprises. CEOs with high narcissism are likely to engage in profit management, making performance weak.

State-owned companies listed on the Indonesia Stock Exchange were the object of this study. State-owned companies were chosen to be the object of research due to the phenomenon of financial statement manipulation carried out by one of the state-owned companies, namely PT. Garuda Indonesia, Tbk. State-owned companies have turmoil in pros and cons when appointing a CEO. For example, the issue of the appointment of Susi Pudjiastuti as a leader in one of the state-owned companies is considered to have good performance and a strong level of confidence in carrying out its duties.

This research developed research that has been conducted by [4] and [10], who in their study did not use mediation variables in testing the influence of CEO narcissism on financial performance. The novelty of the research lies in a new variable, namely corporate social responsibility (CSR), as a mediating variable. The year of research used in the current research was 2018-2021.

Based on the background description above, the formulations of the problem are as follows: (1) Does the CEO of Narcissism have a significant effect on Financial Performance? (2) Does CEO Narcissism significantly affect Corporate Social Responsibility (CSR)? (3) Does it have a significant effect on Financial Performance? (2) Does CEO Narcissism significantly affect Corporate Social Responsibility (CSR)? (3) Does it significantly affect Corporate Social Responsibility (CSR)? (3) Does it significantly affect Corporate Social Responsibility (CSR)? (3) Does it have a significant effect on Corporate Social Responsibility (CSR) have a significant effect on Financial Performance? (4) Does CEO Narcissism significantly affect Financial Performance through Corporate Social Responsibility (CSR)? Meanwhile, the purposes of the study are (1) To empirically test the influence of CEO narcissism on financial performance. (2) To empirically examine the influence of CEO Narcissism on Corporate Social Responsibility (CSR). (3) To empirically examine the effect of Corporate Social Responsibility (CSR) on Financial Performance. (4) To empirically test the influence of CEO narcissism on financial performance through Corporate Social Responsibility (CSR).

II. THEORETICAL FRAMEWORK

A. *Behavior Finance*

Behavior Finance is a behavior related to financial applications. [11] defines behavior finance as a study of how psychological phenomena affect financial behavior. [12] defines financial behavior as studying how humans behave in a financial setting (a financial setting)—studying how psychology affects financial decisions and corporate and financial markets. Behavior Finance emphasizes that the CEO's job is to maximize the company's financial performance. In his position as CEO, he received a message from shareholders or company owners to always make the best policies so that financial performance can increase profitability and ultimately improve welfare for shareholders [13].

B. *Theory of Upper Echelons*

The Theory of Upper Echelons is a theory developed by [3] that addresses the impact of certain individual characteristics on the strategic behavior of managers. This theory explains the concept of top management as a strategic decision-maker in an organization. This study uses upper-echelon theory to explain the influence of the CEO's narcissism on financial performance. According to [14], in their research, the personality, emotions, and disposition of CEOs have been tested to influence the results of strategic decisions used by companies. An assortment of characteristics of managers is listed to influence the decisions and results of the company. [14] also explained that these characteristics are gender, functional background, length of service, career experience, race, nationality, financial position, and socioeconomic background.

This theory considers the concept of top management as the main strategic decision-maker in the organization. Thus, the strategic decisions made by the leader have a direct impact on the outcomes of the organization. Because executives are responsible for the organization, their characteristics, what they do, and how they do it affect the organization's outcomes (Bernadette,1996).

C. *Theory of Legitimation*

The theory of Legitimation is an activity carried out by a company to avoid violating the norms prevailing in society. The Theory of Legitimation explains that business entities continuously carry out social and environmental activities to get recognition from stakeholders that they carry out their business activities in accordance with the provisions adopted by the community in which they operate.

The Theory of Legitimation is relevant to this research phenomenon because of the perception that environmental disclosure is very beneficial for recovery, improvement, and maintaining the legitimacy of the company, so an environmental action is needed that is published effectively. This is stated in the annual report through corporate social responsibility (CSR) reporting. Companies that want to survive must ensure that business activities are carried out in accordance with the provisions used by the community and the environment around the company to operate so that outsiders (stakeholders) can accept or give legitimacy to the company [15]. Such legitimacy can be achieved with CSR activities and CSR reporting. Environment-friendly activities, community development, and positive news will help increase the organization's legitimacy [16]. The company's leader submitting his social responsibility report will be recognized for his existence and position by the public. That way, it can make it easier for companies to perform better.

D. *Financial Performance*

Financial performance is a tangible result achieved by a company in a certain period that can reflect the level of the financial health of the company and can be used to show the achievement of positive results.

Financial statement analysis is an analysis of the company's financial condition and how the company has achieved its current success and to predict the company's future financial condition [17]. The analysis of financial statements serves to overcome problems experienced by interested parties in carrying out their business activities. The reports can provide an overview of the financial performance experienced by the company.

Financial performance reports are especially important to analyze because by analyzing financial performance, the company can plan strategies that must be carried out in the future to be able to predict financial conditions. Good financial performance provides an opportunity for the company to survive. One of the techniques is analyzing financial performance through financial ratio analysis. The financial ratio is the result of a comparison between relevant and significant accounts that is reflected in the financial statements

E. CEO Narcissism

The Chief Executive Officer (CEO) is an executive at the top of the company and is responsible for the survival and success of the company [18]. According to [19], a CEO who has high trust will try to convince himself and others that he can run the company well and can manage profits through strength and flexibility as the highest decision-maker [14]. Thus, every decision will increase the company's value even though it is risky. According to [20], narcissism is said to be a serving personality, pursuing the need for admiration, recognition, and acceptance. Usually, a narcissist cannot be aware of the actual state of oneself and how others perceive himself. With his high confidence, they believe that his decision will be successful. The narcissistic CEO will often try to gain control of the available resources, thus causing the CEO to be more aggressive in the company to achieve his goals.

F. Corporate Social Responsibility (CSR).

Corporate Social Responsibility (CSR) was first introduced by John Elkington in 1997. According to [21] corporate social responsibility (CSR) is a company's mechanism to voluntarily pay attention to the environment and social factors in operations and how it interacts with stakeholders. Therefore, companies must realize that the survival of the company depends on the company's relationship with society and the surrounding environment.

When the company does not carry out CSR activities, such as balancing social forces in the maintenance of natural resources and human resources, it can have a negative impact on the company. It will eventually experience a decline in financial performance [15]. CSR activities to improve positive news include social and environmental aspects to keep the company afloat.

According to [15], CSR disclosure is very dependent on the company's leadership (CEO) character. The character that is often highlighted in CSR disclosures is the character of narcissism. Narcissistic CEOs tend to carry out social activities in the form of CSR well because by doing so, they can be recognized for their existence and raise their self-image. Disclosure of CSR by the CEO of narcissism will improve the company's performance.

G. Previous Research

TABLE 1. PREVIOUS RESEARCH

NO	NAME/ YEAR	TITLE	RESULT
1.	Ahn et al. (2020)	*Narcissistic CEOs and corporate social responsibility: Does the role of an outside board of directors matter?*	The results showed that CEO narcissism had a negative effect on organizational outcomes. However, little attention is paid to its effect on corporate social responsibility (CSR).
2.	Kim., (2018)	*Is Narcissism Sustainable in CEO Leadership of State-Owned Enterprises?*	The results showed that narcissistic CEOs were related to the positive direction of SOE performance.
3.	Al-Shammar i et al., (2019)	*CEO narcissism and corporate social responsibility: Does CEO narcissism affect CSR focus*	The results showed an overall positive relationship between CEO narcissism and CSR.
4.	Chen et al. (2019)	*How does CEO narcissism affect corporate social responsibility choices?*	The results showed that CEO Narcissism influences external CSR and is negatively related to internal CSR. In particular,
5.	Kalbuana et al., (2022)	Pengaruh Narsisme CEO Dan Arus Kas Bebas Terhadap Kinerja Perusahaan	The results showed that the company's performance was not influenced by the CEO's narcissistic behavior. The company's performance is affected by the free cash flow available for investment. Simultaneously the narcissism of the CEO and free cash flow successfully affect the company's performance.
6.	Muttiarni et al., (2021)	Pengaruh Perilaku CEO Narsisme dan Ukuran Perusahaan terhadap Kinerja Keuangan pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia	The results showed that the CEO of Narcissism does not affect financial performance,

H. Framework

Based on the theoretical foundation and the results of previous research, and the problems that have been put forward, then as the basis for the formulation of the following hypothesis, the framework of thought is presented in the research model in the following figure:

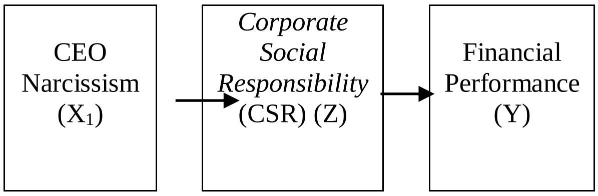

Figure 1. Research Framework

I. Hypothesis Development

The Influence of CEO Narcissism on Financial Performance
The Theory of the Upper Echelons states that the level of management education is the cognitive ability of top managers. The higher the education level of top management, the more confident they are in making the company's strategic decisions. Narcissism is a characteristic of managers that influences organizational management [23].

Research by [4] explains that narcissistic CEOs have a relationship with a positive direction toward the performance of SOEs. Similar results were obtained by [24] by examining the impact of the CEO on the spirit of entrepreneurship. His findings state that out of 173 CEOs, those with high narcissism tend to have a high entrepreneurial spirit and positively affect the company's performance.

H_1: CEO Narcissism positively affects Financial Performance

The influence of narcissistic CEOs on Corporate Social Responsibility (CSR)
The theory of Upper Echelons suggests that executive cognitive biases and personal preferences influence how they filter and interpret business situations [3]. Thus, this theory proposes that the personal characteristics of executives will influence the strategic decisions and behavior of the company [3] [25]. Based on the Theory of Upper Echelons, several studies have examined how the psychological characteristics of a CEO can affect a company's CSR involvement. [26] have found that CEO narcissism positively affects the company's CSR engagement. Given that the psychological characteristics of CEOs play an important role in CSR decision-making, the mechanisms by which the psychological characteristics of a CEO can influence a company's CSR choices should be explored. [27] found that the CEO's tenure, the director's social attachment, the size of the board, and the proportion of female executives can influence a company's CSR actions.

H_2: Narcissistic CEOs positively affect Corporate Social Responsibility (CSR)

The Effect of Corporate Social Responsibility (CSR) on Financial Performance
By carrying out CSR activities, it is hoped that it will be able to achieve the company's main goal of making a profit without neglecting the interests of stakeholders and environmental sustainability as a form of responsibility for the impacts that have been caused by the company's operational activities [28].

Research conducted by [29] and [30] has found a positive influence on the implementation of CSR. Company performance will increase with the proxy of return on assets (ROA) and return on equity (ROE).

H_3: Corporate Social Responsibility (CSR) positively affects Financial Performance

The Influence of CEO Narcissism on Financial Performance through Corporate Social Responsibility (CSR)
The Theory of Legitimation explains that if the company's leader submits a report on his social responsibility, it will gain legitimacy from the community around the company. Based on the theory of upper echelons, which states that company leaders who want to gain legitimacy or recognition have a unique characteristic, such a unique character is formed from the level of education and experience. Thus, the theory of legitimacy and the theory of the upper echelons are closely related to CSR disclosure by leaders with narcissistic personalities. CEO narcissism can affect an organization's CSR because narcissistic CEOs have a high need for attention and praise and a strong desire to have positive recognition, which has been shown to influence CEO decision-making [23].

Research by [9] explains that CEO narcissism is closely related to CSR disclosure. Similar results are in line with the findings of [10], explaining that narcissistic CEOs have a positive effect on external CSR disclosures. But on the other hand, narcissistic CEOs have a negative effect on internal CSR. In contrast to the research of [8], which found that the CEO of narcissism does not influence CSR. Thus, the hypothesis can be put forward as follows:

H_4: CEO Narcissism positively affects Financial Performance through Corporate Social Responsibility (CSR)

III. METHODOLOGY

A. *Types of Research*

According to [31], this type of research is an analysis process to obtain data with certain objectives. It uses, and this research is based on, rational, empirical, and systematic scientific characteristics. In this study, the type of research used was quantitative, where research that describes the company's state was analyzed based on the data obtained. The data was expressed in numbers and analyzed with statistical techniques as a calculation test tool related to the problem under study to produce a conclusion.

In this case, the study used causal associative methods. Causal associative research was a study that aimed to determine the causal relationship between two or more variables so that there were independent variables (affecting variables), dependent variables (influenced), and mediation variables [31].

B. *Data Source*

According to [32], the data source is the subject from which the study was obtained. The data sources used in this study were secondary data obtained from the official IDX website at https://www.idx.co.id/, as well as journals, papers, research, books, and internet sites related to this theme study.

C. *Data Collection Techniques*

Documentation Data

Documentation data is collected by collecting the required data, followed by recording and calculations by collecting documentary data sources such as annual reports of state-owned companies listed on the IDX for the 2018–2021 period, which became research samples. The data used in this study were data obtained through the internet site https://www.idx.co.id/, namely in the form of financial statements listed on the IDX for the 2018-2021 period

Library research

Literature research is to obtain literature data by studying literature related to the problem under study. This can be in the form of books, journals, or papers. The use of literature research was to obtain the basics that can be used as a theoretical basis in analyzing a problem under study as a guide for conducting studies in research.

D. *Population and Sample*

Population

According to [31], a population is a generalization area consisting of objects or subjects with certain qualities and characteristics set by the researcher to be studied and then conclusions about them. The population of this study was state-owned companies listed on the Indonesia Stock Exchange (IDX).

Sample

According to [31], the sample is part of the number and characteristics possessed by the population. The sample in this study was state-owned companies listed on the Indonesia Stock Exchange (IDX) for the 2018–2021 period. The survey of the company's sample was carried out by purposive sampling. So, in this study, the selection of members of the research sample was based on the following criteria:

TABLE 2. SAMPLE CRITERIA

No	Total Sample Criteria	Total
1.	State-Owned Enterprises (BUMN) companies listed on the Indonesia Stock Exchange for the 2018-2021 period.	20
2.	State-Owned Enterprises (BUMN) companies that report annual reports on the Indonesia Stock Exchange website for the 2018-2021 period.	20
3.	State-Owned Enterprises (BUMN) provide financial statement data in the form of rupiah (Rp).	17
Total Sample		17

Source: https://www.idx.co.id/

Based on these criteria, 17 issuers were obtained that can be analyzed.

E. *Research Variables*

According to [31], research variables are everything in the form of anything that is determined by the researcher to be studied so that information about it is obtained and then conclusions are drawn.

Independent Variables

According to [31], independent variables are variables that affect or cause their change or the emergence of dependent variables. The Independent Variable in this study was the CEO of Narcissism (X1). Narcissism CEO Measurements:

TABLE 3. PROMINENCE OF PHOTOGRAPH

Definition of Photograph	Score	Category
If the CEO's photo is displayed in a full 1-page size.	5	Very High Narcissism
When the CEO's photo is displayed with a size of more than half a page	4	High Narcissism
If the CEO's photo is displayed by himself with a size of less than half a page	3	Moderate Narcissism
If there is a photo of the CEO with one or more executive colleagues.	2	Low Narcissism
If there is no photo of the CEO.	1	Very Low Narcissism

Source: [33].

Dependent Variables

According to [31], dependent variables are variables that are influenced or result from free variables. The dependent variable in this study is Financial Performance (Y). This study measured financial performance using Return on Assets (ROA) and Tobin's q.

$$ROA = \frac{\text{Profit After Tax}}{\text{Total Assets}} \times 100\%$$

$$\text{Tobin's q} = \frac{MVS + MVD}{RVA}$$

Mediation Variables

[31] states that mediation variables theoretically affect the relationship between independent and dependent variables in indirect relationships but cannot be observed and measured. This study's mediating variable was corporate social responsibility (CSR). CSR is measured using a CSR disclosure index based on the Global Reporting Initiative (GRI) with three disclosures: economic, global, and environmental. The CSR disclosure standards in this study were measured by the GRI G4 disclosure standard with 91 disclosure items.

F. Data Analysis Methods

According to [31], data analysis is the process of systematically finding and compiling data obtained from interviews, field notes, and documentation by organizing data into categories, describing it into units, performing synthesis, compiling it into patterns, choosing which ones are important and which will be studied, and making conclusions so that they are easy to understand by yourself and others. Data analysis in this study was quantitative analysis using statistical calculation techniques.

Descriptive Statistics

According to [31], descriptive statistics are statistics used to analyze data by describing or describing the data that has been collected as it is without intending to make conclusions that apply to the public or generalizations. Included in descriptive statistics is the presentation of data through tables, pie charts, graphs, and calculations of the mean, median, mode, standard deviation, and percentages.

G. Multiple Linear Regression Analysis

[31], revealed that multiple regression analysis is used if the researcher intends to predict what the state (ups and downs) of the dependent variables will be if two or more independent variables as predictor factors are manipulated (lowered in value).

Linear Regression Analysis In this study, linear regression analysis techniques were used to determine the influence of CEO narcissism on financial performance. The regression equation used is as follows:

$$\boxed{KK_{it} = \alpha + \beta_1 NAR + CSR + e}$$

Description:

α	= Constant
KK_{it}	= Financial Performance
$\beta_1 NAR$	= CEO Narcissism
CSR	= *Corporate Social Responsibility*
e	= *Error*

Multiple linear regressions in this study, namely the influence of CEO narcissism on Corporate Social Responsibility, were tested using photos of the CEO, biodata of the CEO, and other positions of a CEO. The following regression analysis model is used:

$$\boxed{CSR_{it} = \alpha + \beta_1 NAR + KK + e}$$

Description:

α	= Constant
CSR_{it}	= *Corporate Social Responsibility*
$\beta_1 NAR$	= CEO Narcissism
KK	= Financial Performance
e	= *Error*

H. Hypothesis Testing

Coefficient of Determination Test (R^2)

The R2 coefficient of determination test aims to measure the model's ability to explain the variation of dependent variables [34]. In [34], the coefficient of determination is a quantity that has a function to show the level of strength of the relationship between two variables in the form of a percent. The value of R2 is between 0 and 1%. If the value is close to 1, the better. A small R2 value close to 1 means that the independent variable provides almost all the information needed to predict the variation of the dependent variable.

Model Feasibility Test (F)

The F test in this study was used to test whether there was a simultaneous influence between independent variables on dependent variables. The F test criteria are as follows:

a. If the significant value of F < 0.05, then H0 is rejected, and H1 is accepted. This means that independent variables simultaneously and significantly affect the dependent variables.
b. If the significant value of F > 0.05, then H0 is accepted, and H1 is rejected. This means that the independent variable does not affect the dependent variable.

Hypothesis Test (t-Test)

The t-test in this study was used to test the research hypothesis regarding the influence of each independent variable partially on the dependent variable. As for the criteria for the T-test, it is as follows:

a. If the significant value of the t-test> 0.05, then H0 is accepted, and Ha is rejected. This means that there is no influence between independent variables on dependent variables.
b. If the significant value of the t-test < 0.05, then H0 is rejected, and Ha is accepted. This means that there is an influence between independent variables and dependent variables.

I. *Statistical Hypothesis*

The hypothesis is a possible answer to a given problem. [34] interprets the hypothesis as a temporary conclusion and a researcher's construction regarding the research problem, which states the relationship between two or more variables.

a. First Hypothesis
   - H_{o1} : CEO Narcissism has no significant effect on Financial Performance
   - H_{a1} : CEO Narcissism has a significant effect on Financial Performance
b. Second Hypothesis
   - H_{o2} : CEO Narcissism has no significant effect on Corporate Social Responsibility (CSR)
   - H_{a2} : CEO Narcissism has a significant effect on Corporate Social Responsibility (CSR)
c. Third Hypothesis
   - H_{o3} : Corporate Social Responsibility (CSR) does not have a significant effect on Financial Performance
   - H_{a3} : Corporate Social Responsibility (CSR) has a significant effect on Financial Performance
d. Fourth Hypothesis
   - H_{o4} : CEO Narcissism has no significant effect on Financial Performance through Corporate Social Responsibility (CSR)
   - H_{a4} : CEO Narcissism has a significant effect on Financial Performance through Corporate Social Responsibility (CSR)

IV. ANALYSIS PLAN

The following are the measurements of independent variables, dependent variables, and mediation variables that will be measured in this study as follows:

TABLE 4. VARIABLE MEASUREMENT

Variable	Measurement	Measuring Scale
Financial Performance (Y)	$ROA= \frac{\text{Profit After Tax}}{\text{Total Assets}} X\ 100\%$ $\text{Tobin's q} = \frac{MVS + MVD}{RVA}$	Ratio
Corporate Social Responsibility (CSR) (Z)	CSR disclosure standards in this study were measured by the GRI G4 disclosure standard with 91 disclosure items.	Ratio
CEO Narcissism (X_1)	a. Score 1: If there is no photo of the CEO. b. Score 2: If there is a photo of the CEO with one or more executive colleagues. c. Score 3: If the CEO's photo is displayed by himself with a size of less than half a page. d. Score 4: If the CEO's photo is displayed with a size of more than half a page e. Score 5: If the CEO's photo is displayed with a size of 1 full page.	Ordinal

When analyzing this research, the approach was the Structural Equation Model Partial Least Square (SEM-PLS) using SMART PLS software. The reason for using this program was that the study was more predictive and explains latent variables better than testing a theory, and the number of samples in the study is not much.

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