ABSTRACT

THE ROLE OF NATIONAL CORPORATE SOCIAL RESPONSIBILITY QUALITY (NCSRQ) ON THE EFFECT OF STAKEHOLDER PRESSURE,GOOD GOVERNANCE AND NATIONAL CHARACTER ON NATIONAL COMPETITIVENESS

The cases of environmental may affect many aspects including the competitiveness of a country. Businesses are expected to conduct quality CSR based on their business sector and the implementation of quality CSR will affect the National Competitiveness. Prior researchers who present National CSR were still very limited. Previous research that examines the relationship between CSR and Competitiveness also presents mixed results. This study aims to examine the effect of Stakeholder pressure, Good Governance, and National Character on National Competitiveness and the role of National Corporate Social Responsibility Quality (NCSRQ) as a mediation variable.

Research data obtained from Global Stock issued by Revenue Watch Institute which includes countries that have companies engaged in mining and metal sector. Sample obtained in this research sourced from 26 countries for 3 years that is data from 2013, 2014, and 2015. The proxy used in this research is World Press Freedom Index, Rule of Law Index, Economic Freedom index, Global Competitiveness Index and National Corporate Social Responsibility Quality (NCSRQ) Index. The NCSRQ index was formed on 9 selected indicators to explain the quality of CSR in the mining and metals sector. This study using secondary data and using Amos to test the path analysis. Path analysis is used to see the path of measured data (observe).

The test results found significant influence from Stakeholder Pressure, Good Governance, National Character, and National Corporate Social Responsibility Quality (NCSRQ) on National Competitiveness. Another finding, namely National Corporate Social Responsibility Quality (NCSRQ), proved can mediate partially the influence of Stakeholder Pressure on National Competitiveness. The test of the mediation variable is also done with the sobel test and it is found that the direct effect is greater than indirect effect.

Keywords: *good governance, national character, national competitiveness, national corporate social responsibility quality, stakeholder pressure*.