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# Innovation, *CSR*, Work Environment, Company Reputation Financial Performance with Strategic Objectives as Mediation Variables

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***Keywords*** **:** *Innovation, Corporate Social Responsibility, Work Enviroment, Company Reputation, Financial Performance*

***Abstract****:*
*To deal with the current economic conditions during a pandemic, finance companies take innovative actions in terms of restructuring credit to customers. With the aim of developing financial capacity and improving risk management parameters. Credit restructuring activities are provided by the Financial Services Authority to finance companies with the aim that financing companies can run effectively. In addition to innovation, finance companies need strategic goals in running their business so that the goals set by the company can be realized. The type of research used in this research is associative research. Associative research is a type of research that aims to determine the relationship between two or more variables. By using this associative research, it will be able to build a theory that functions to explain, predict and control the symptoms contained in the research. The type of data used in this research is secondary data. Secondary data is one of the data collection techniques through data sources that have been processed. The influence of CSR on financial performance shows a positive influence on sales obtained by the company by showing a positive acceptance between the market and the revenue that will be obtained by the company.*

## Introduction

In global business competition, the industry undergoes many changes, both changes in market share or the target market, rapid socio-political and economic changes with the aim of increasing the number and strength of businesses or industries with a business scope that is in accordance with the business or industry in accordance with the business commodity. run. To be able to survive in global industrial competition with many competitors in the same business field, innovation or productivity is needed to be able to compete. Today's competitors are increasingly proficient and more productive because they have human resources who have education and expertise across technology and information boundaries, making them quickly access the latest methods and equipment.

To achieve good performance within the company, the company must have a competitive advantage, which means the company must be able to compete in the global market. Competitive advantage can be achieved if the company has the right strategy in running its business. The strategy in question is through the role of innovation and a sustainable innovation strategy (Terziovski, 2002). The challenges faced by the company make the company have the right innovation strategy so that it can compete with competitors with appropriate business or business commodities from both national and multinational companies.

A financial institution  is a company whose business is engaged in financial services, which means that the business activities carried out by this institution or company are related to the financial sector, such as distributing and or other financial services (Kautsar, 2017). Thus, the existence of a business or industry is used as an achievement in the field of business by measuring business performance through innovation in business which is used as a spirit to start a business aimed at increasing income for the state, in terms of small and medium enterprises (Burns, 2016). Meanwhile, according to (Bakovic, et al, 2013) innovation is a way of commercialization in the form of products and technologies that have a strong impact on the basis,

Innovation is needed in improving the quality of the company, so that the company has more selling value than other companies (Teece, 2010). A business can be said to have the ability to innovate which is obtained from combining the capabilities and main assets of the company that are used effectively with the aim of advancing the company (Teece, 2010). In the case of finance companies, finance companies that have innovation will survive for a long time in the business world.

Thus, the company has a dynamic and accountable strategy in running the business and is able to compete with competitors by managing daily mainstream operations, and developing innovation in running the business (Drejer, 2002). A finance company is a business entity in this case outside the Bank and is included in a non-bank financial institution that has an obligation or duty to provide loan facilities to customers for a purpose or to carry out activities within the scope of business: leasing, factoring, credit card business and or consumer finance (Antonio, 2001).

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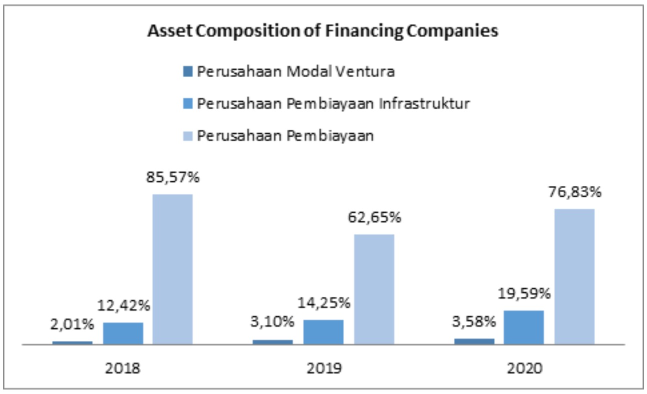



*Source: Processed by the Author*

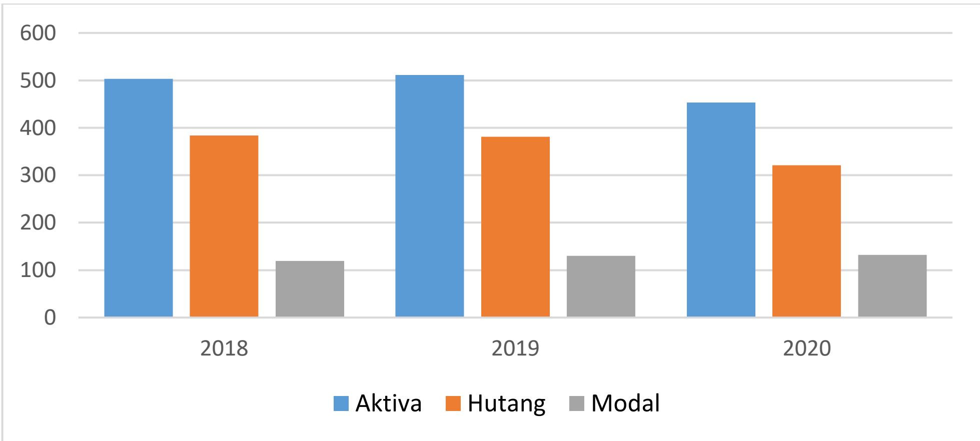
*Figure 1. Financial Institution Statistics Book 2018 to 2020*

Based on the table above, finance companies are grouped into 3 groups, namely finance companies, venture capital companies and infrastructure finance companies. The development of finance companies in Indonesia, based on the 2018 financial statements, finance companies have total assets of Rp. 503.24 Trillion, Liabilities of Rp. 384.30 Trillion and a capital of Rp. 118.94 Trillion. Meanwhile in 2019, the finance company had total assets of Rp. 511.08 Trillion, Liabilities of Rp. 380.65 Trillion and Capital of 130.43 Trillion. And in 2020, the finance company has total assets of Rp. 452.85 Trillion, liabilities of Rp. 321.16 Trillion and a capital of Rp. 131.69 Trillion.

**Table 1.2**

**Table of Assets, Liabilities and Equity of Financing Companies**

**(In Trillion)**




*Source: Processed by the Author*

*Financial Institution Statistics Book 2018 to 2020*

*Figure 1. Assets, Liabilities and Equity of Financing Companies (In Trillion)*

In Indonesia during 2018 to 2020, finance companies experienced a significant decline, based on statistical data in 2020, there was a significant decrease in total finance companies in 2020. This is supported by a table showing the number of companies for the last three years.

The ability of innovation in a company or business organization is defined as a tendency due to the use of the novelty of an idea in conducting an experiment by making a process where the results obtained are in the form of a new invention to gain a competitive advantage so that the company experiences an increase in the resulting financial performance (Camps and Marcus, 2014). The company will always innovate or new things as a way to meet the needs needed by customers. An increase in income is needed to increase competitiveness, so that the company is able to survive and has a distinctive character or identity that is different from other companies.

Based on previous research, the research conducted by the author has differences with the results of previous studies, namely the difference lies in the research sample in previous studies using SME research samples while the research conducted by the authors used a sample of finance companies listed on the Indonesia Stock Exchange so that it became a motivation to carry out this research. further research as an effort to follow up on the results of previous studies.

Companies need to be innovative to increase the market by paying attention to several ways, namely: success in making a new product or service, the profits obtained by the company become positive (Donkor et al, 2018). In this study, finance companies innovate on services provided to customers or consumers with the aim of being able to survive in global competition and obtain positive financial performance. Thus, companies that innovate in their business activities will affect the financial performance produced by the company.

***H1. There is a positive influence between innovation and financial performance***

CSR is the discretionary allocation of corporate resources to improve social welfare which serves as a means to improve relations between stakeholders (Gonzales, et al 2018). In a company, CSR is used as a benchmark for making decisions related to resources. If the company has competent resources, it will affect the financial performance that will be obtained by the company.

The influence of CSR on financial performance shows a positive influence on sales obtained by the company by showing a positive acceptance between the market and the revenue that will be obtained by the company. Therefore, the level of success of financial performance is influenced by CSR indicators (Gonzales, et al. 2018). Corporate Social Responsibility is a company's commitment to stakeholders to minimize the impact that will occur in the company with the aim of improving the welfare of the company and company resources to improve social welfare which serves as a means to improve relations between stakeholders.

Thus, the objective of Corporate Social Responsibility is to integrate business management in carrying out corporate strategies to produce strategic intangible assets such as company reputation and as knowledge to be gained in innovations that will be carried out by the company. The disclosure of social responsibility carried out by the

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company greatly affects the company's financial performance, because the disclosure of sustainability or corporate responsibility to the surrounding community provides value for the company which will affect the financial performance produced by the company.

***H2. There is a positive influence between CSR on financial performance***

The work environment is the most important aspect in the company, because everything that is around employees with the aim of influencing them in carrying out the tasks given. A conducive work environment affects resources in carrying out any given job. Being able to do all the work given reflects an intellectual and social ability as well as having the ability and creativity. Good intellectual ability by running according to the company's vision (Philips, et al, 2019).

Approach to the success of financial performance is influenced by the conditions of the work environment, good work environment management affects the activity and loyalty and satisfaction that will be received by customers with the services provided by the company to customers. The work facilities owned by the company are the most important factors that must be owned by the company to know about the management of the company's financial performance, because the success of the financial performance achieved in the company is determined by the work facilities owned.

***H3. There is a positive influence of the work environment on financial performance***

In a company reputation, measurements that can be used by companies as a tool to measure the level of success on product reputation, financial reputation and management reputation (Delgado, et al, 2011). The company's reputation reflects how the company's social conditions are based on community assessments as an effort to make decisions by policy makers. To maintain the company's reputation, adaptation is needed as a forum to improve the company's reputation.

By conducting training for company employees as the most important resource in maintaining the reputation of a company. Because the service or service provided to customers creates customer ratings for the company. By maintaining the company's reputation, if the company's reputation is good, the resulting financial performance will be positive.

A good company reputation reflects the company's good financial performance. Because the company's reputation is one of the important indicators in generating financial performance. The success of a company seen from a good company reputation is very useful for companies to sell products at premium prices, get convenience when they want to borrow money from banks, attract reliable human resources, and relate to customers easily. Which means that reputation is a valuable intangible asset (goodwill) of the company so it is very important to be managed by the company.

***H4. There is a positive influence between the Company's Reputation on financial performance***.

The achievement of company goals is seen from the company's strategic goals, which are able to provide the achievement of the goals to be pursued by the company. Thus, the goals of the company can be achieved properly. In the activities taken by the company to plan, direct, organize and control every decision taken by stakeholders with a view to achieving company goals and being superior to its competitors.

According to Gonzales, et al (2018), a good company strategy in a finance company is to plan what activities the company does, to direct decision makers in controlling every decision. Thus, the company is superior to other companies. Directing in this case, is an action to direct the company to carry out activities in accordance with activities to achieve company goals.

***H5. There is a positive influence between Strategic Objectives on financial performance*.**

In developing the company's products, innovation strategies are needed to achieve company goals. By way of product or service renewals that are more competitive than competitors. The ability of innovation in a company or business organization is defined as a tendency due to the use of the novelty of an idea in conducting an experiment by making a process where the results obtained are in the form of a new invention to gain a competitive advantage so that the company experiences an increase in the resulting financial performance (Camps and Marcus, 2014).

According to Gonzales, et al (2018), a good company strategy in a finance company is to plan what activities the company does, to direct decision makers in controlling every decision. Thus, the company is superior to other companies. Directing in this case, is an action to direct the company to carry out activities in accordance with activities to achieve company goals.

So that innovation is needed in finance companies to do new things to improve the company's goals by obtaining the greatest possible profit.

***H6. There is a positive influence between innovation on financial performance which is mediated by strategic objectives***

The influence of CSR on strategic objectives shows a positive influence on sales obtained by the company by showing a positive acceptance between the market and the revenue that will be obtained by the company. Therefore, the level of success of strategic objectives is influenced by CSR indicators (Gonzales, et al. 2018). Corporate Social Responsibility is a company's commitment to stakeholders to minimize the impact that will occur in the company with the aim of improving the welfare of the company and company resources to improve social welfare which serves as a means to improve relations between stakeholders.

Thus, CSR is a discretionary allocation of company resources to improve social welfare which serves as a means to improve relations between stakeholders (Gonzales, et al 2018). With the existence of CSR, it is able to realize the company's strategic goals

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by increasing positive numbers on each employee's performance in carrying out their duties.

***H7. There is a positive influence between CSR on financial performance which is mediated by strategic objectives***

Being able to do all the work given reflects an intellectual and social ability as well as having the ability and creativity. Good intellectual ability by running according to the company's vision (Philips, et al, 2019). The success of achieving the company's goals, seen from the conditions of the working environment that affect them, is able to influence employees to do their jobs or duties well so that they are able to provide positive efforts for the success obtained by the company.

Good work environment management affects the activity and loyalty and satisfaction that will be received by customers with the services provided by the company to customers. The work facilities owned by the company are the most important factors that must be owned by the company to know about the achievement of company goals, so that the success of the financial performance achieved in the company is determined by the work facilities owned.

***H8. There is a positive influence between the work environment on financial performance mediated by strategic objectives***

Measurements that can be used by companies to measure company reputation as a tool to measure the level of success on product reputation, financial reputation and management reputation (Delgado, et al, 2011). The company's reputation reflects how the company's social conditions are based on community assessments as an effort to make decisions by policy makers. To maintain the company's reputation, adaptation is needed as a forum to improve the company's reputation.

In achieving a strategic goal, the company requires the company's reputation or good name in order to be able to realize the company's strategic goals in order to support the financial performance expected by the company. With a good reputation, it is able to have a good impact on the health of the company.

***H9. There is a positive influence between corporate reputation on financial performance mediated by strategic objectives.***

Companies in developing managed businesses need innovation efforts or actions to get more innovative products or services so that companies get more positive financial performance. CSR, work environment and company reputation in the economic dimension relative to the benefits for stakeholders that come from the company's business by increasing the ability of resources in terms of training by creating value for customers from the products and services provided by the company (Chow and Chen, 2012) .

To obtain positive financial performance, the company is influenced by the level of innovation, CSR, work environment and company reputation, strategic objectives affect the level of effective company activities to increase the growth that will be achieved by the company in the future. The plans made by the company are adjusted to the strategic objectives that have been made by the company to develop internal resources by having a competitive advantage in order to increase the company's continuity in the future (Gonzales, et al, 2018). Companies to sell products at premium prices, get convenience when they want to borrow money from banks, attract reliable human resources, and deal with customers easily.

***H10. There is a positive influence between innovation, CSR, work environment and company reputation on financial performance with mediated strategic objectives.***

**Research Method**

To make it easier to understand the development of hypotheses in this study, the researchers put forward the research model as follows:

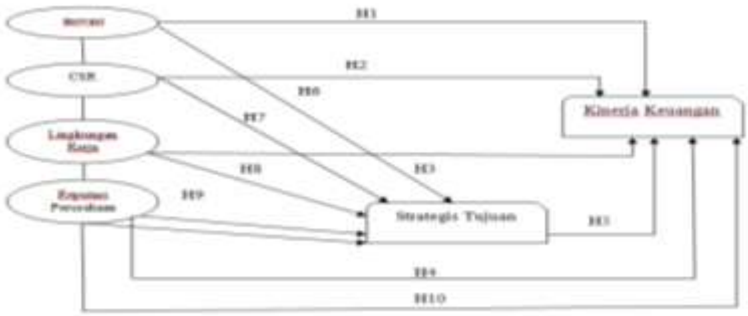


Figure 3. Research Model

*Sources: Donkor Theory, et al (2018), Gonzales, et al (2018)*

The type of research used in this research is associative research. Associative research is a type of research that aims to determine the relationship between two or more variables. By using this associative research, it will be able to build a theory that functions to explain, predict and control the symptoms contained in the research.

The type of data used in this research is secondary data. Secondary data is one of the data collection techniques through data sources that have been processed. In this study, the data source through www.idx.co.id. Based on the description, quantitative research is a research method based on findings obtained using statistical or measurement procedures.

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## Result and Discussion

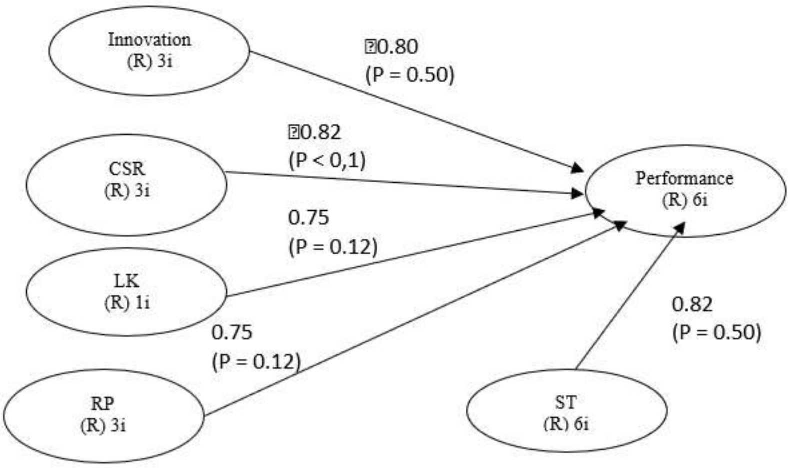


Figure 4. Research Model without mediating variables

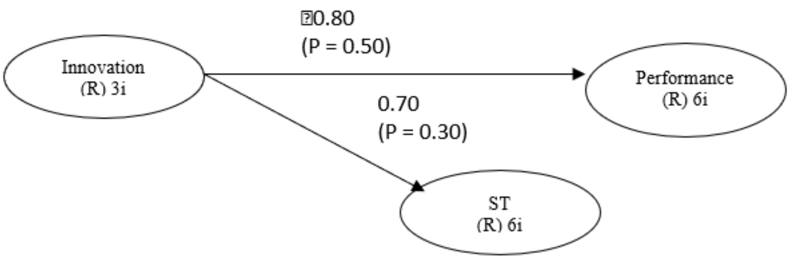


Figure 5. Research Model with mediating variable

Table 1. VAF for mediation testing

| Influence Description | The calculation results |
|---|---|
| Innovation→ST→Performance | |
| Direct Influence | 0.80 |
| Indirect influence | 0.70 |
| Total Influence | |
| 0.80 + 0.70 = 1.5 | |
| VAF | 0.80/1.5 = 0.53 |

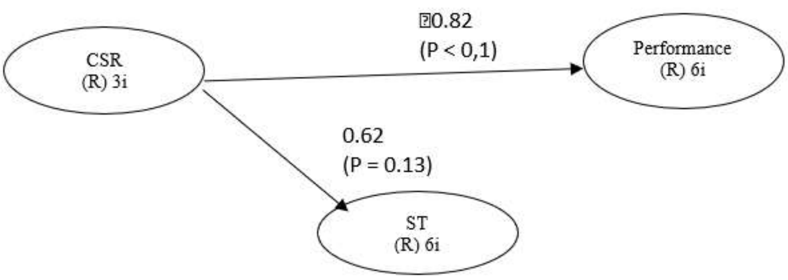


Figure 6. Research Model with mediating variable

Table 2. VAF for mediation testing

| Influence Description | The calculation results |
|---|---|
| CSR→ST→Performance | |
| Direct Influence | 0.82 |
| Indirect influence | 0.62 |
| Total Influence | |
| 0.82 + 0.62 = 1.44 | |
| VAF | 0.82 / 1.44 = 0.56 |

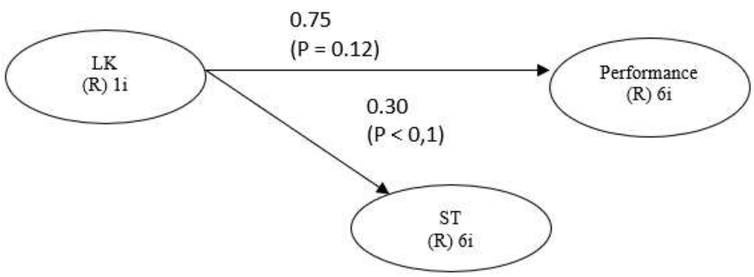


Figure 7. Research Model with mediating variable

Table 3. VAF for mediation testing

| Influence Description | The calculation results |
|---|---|
| LK→ST→Performance | |
| Direct Influence | 0.75 |
| Indirect influence | 0.30 |
| Total Influence | |
| 0.75 + 0.30 = 1.05 | |
| VAF | 0.75 / 1.05 = 0.71 |

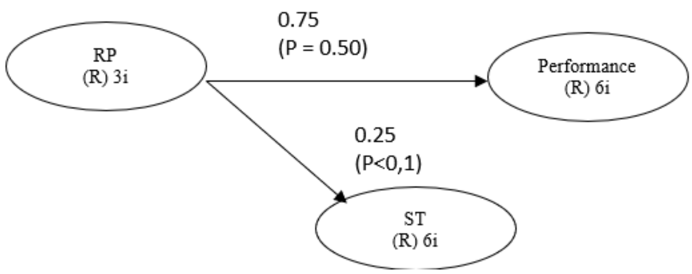


Figure 8. Research Model with mediating variable

Table 4. VAF for mediation testing

| Influence Description | The calculation results |
|---|---|
| RP→ST→Performance | |
| Direct Influence | 0.75 |
| Indirect influence | 0.25 |
| Total Influence | |
| 0.75 + 0.25 = 1.00 | |
| VAF | 0.75 / 1.00 = 0.75 |

### Hypothesis test

Hypothesis testing was conducted to determine the relationship between the research variables. The relationship between the variables tested as explained in the

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problem formula, namely there are 5 hypothesis testing. The basis used in testing the hypothesis is the value contained in the output path coeffiecients in PLS statistically, each hypothesized relationship is carried out using simulation. The following is the output path coeffiecients in this study:

Table 5. *Output path coefficient*

| | Inovasi | CSR | LK | RP | ST | Kinerja |
|---|---|---|---|---|---|---|
| CSR | 0,224 | | | | | |
| LK | | 0,18 | | | | |
| RP | | | 0,196 | | | |
| ST | 0,210 | 0,22 | 0,184 | 0,152 | | |
| Kinerja | 0,236 | 0,16 | 0,201 | 0,201 | 0,18 | |

*Source: WrapPls processed data*

Table 3. *Result Inner Weight*

| | Inovasi | CSR | LK | RP | ST | Kinerja |
|---|---|---|---|---|---|---|
| ST | 2,097 | 1,437 | 1,504 | 2,537 | | |
| Kinerja | 2,315 | 1,457 | 1,583 | 2,613 | 1,913 | |

*Source: WrapPls processed data*

Based on the results of the analysis carried out through WrapPls by the researcher, it is concluded that the hypothesis made by the researcher:

Table 4. Hypothesis test results

| No. | Variable | *Path Coefficient* | *T-Statistics* |
|---|---|---|---|
| 1 | Innovation | 0,163888889 | 2.315 |
| 2 | CSR | 0,109722222 | 1,847 |
| 3 | LK | 0,139583333 | 1,883 |
| 4 | RP | 0,139583333 | 2,613 |
| 5 | ST | 0,127777778 | 1,913 |

*Source: data processed by researchers*

**Hypothesis Testing 1**

**H1 Innovation→Financial performance**

Based on table 4.10 above, it can be seen that the path coefficient value is 0.236 which has an indication that financial performance has a positive effect on innovation mediated by Strategic Objectives. The results of hypothesis testing indicate that the relationship between innovation and financial performance has a t of 2,315, the value is greater than t table (1,734). It is concluded that the investment variable has a positive but not significant effect on financial performance so that Hypothesis 1 is accepted.

The results of this study indicate that financial performance has a positive effect on financial performance. The results of this study are consistent with the current state of the finance company's financial performance. That, finance companies are needed to innovate in running their business or business. In order to be able to meet the community's needs for the financial needs of the community during the current pandemic.

Financial performance, one of which is in the financial sector. The decline in financial performance, during the COVID-19 pandemic, could be caused by a decline in the debtor's financial condition, late payments and other payment problems, as well as the deteriorating business prospects of creditors. Which results in a decline in credit quality or the occurrence of bad loans which will have an impact on the decline in banking financial performance.

In this case, the disbursement of credit in a larger amount compared to customer deposits will cause banks to face liquidity risk which will lead to a decline in banking financial performance. The COVID-19 pandemic has not only impacted the financial performance of the banking sector, but also the performance of companies financing, one of which is fintech. Thus, giving rise to various services in the field of financial services by utilizing modern technology that provides services in the form of payments, lending money, investments, transfers.

This research is the same as the results of the research. Innovation capability is suggested as a high-level mixed capability, i.e. the capacity to form and manage different capacities. Businesses that possess these innovation capabilities can combine the capabilities and key assets of their organizations to effectively empower progress. Businesses today face the test of growing, not only occasionally but rather regularly, quickly and with a strong level of achievement (Teece, 2010). The domain of organizational and managerial considerations has been broadened to incorporate both standard factors (for example, productivity, quality, client responsiveness and speed) and innovation capability (Kaynak, 2003).

**Hypothesis Testing 2**

**H2 CSR→financial performance**

Based on table 4.10 above, it can be seen that the path coefficient value is 0.158 which has an indication that financial performance has a positive effect on innovation mediated by Strategic Objectives. The results of hypothesis testing indicate that the relationship between innovation and financial performance has a t of 1.847, the value is greater than t table (1.734). So it was concluded that the CSR variable had a positive but not significant effect on financial performance so that Hypothesis 2 was accepted.

The results of this study indicate that the financial performance of the financing company can run or have a positive influence value because it is influenced by the CSR carried out by the company. With the CSR activities carried out by the company, it is able to increase the value of the company which is more profitable, so that the company has good value for the surrounding community.

The influence of CSR on financial performance shows a positive influence on sales obtained by the company by showing a positive acceptance between the market and the

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revenue that will be obtained by the company. Therefore, the level of success of financial performance is influenced by CSR indicators (Gonzales, et al. 2018).

Thus, the objective of Corporate Social Responsibility is to integrate business management in carrying out corporate strategies to produce strategic intangible assets such as company reputation and as knowledge to be gained in innovations that will be carried out by the company. The disclosure of social responsibility carried out by the company greatly affects the company's financial performance, because the disclosure of sustainability or corporate responsibility to the surrounding community provides value for the company which will affect the financial performance produced by the company.

High social benefits are driven by corporate CSR activities, as socially responsible actions enable corporate firms to recruit more innovative employees, which in turn positively affects firms' level of innovation (Williamson et al., 2006) and thereby enhances their corporate reputation. In this regard, companies that are proactive in CSR tend to be technology leaders in their industry and generally outperform companies that adopt a reactive posture in relation to innovation strategies when undertaking social actions (MacGregor and Fontrodona, 2008). Guadamillas and Donate (2011) even suggest the integration of CSR into strategic innovation, because innovative actions must always be adapted to the needs and expectations of stakeholders. Inside Reasonable,

**Hypothesis Testing 3**

**H3 Work Environment→financial performance**

Based on table 4.10 above, it can be seen that the path coeffiecient value is 0.201 which has an indication that financial performance has a positive effect on innovation mediated by Strategic Objectives. The results of hypothesis testing indicate that the relationship between innovation and financial performance has a t of 1,883, the value is greater than t table (1,734). So it was concluded that the work environment variable had a positive but not significant effect on financial performance so that Hypothesis 3 was accepted.

The results of this study indicate that the financial performance of the finance company can run or have a positive influence value because it is influenced by the work environment carried out by the company. With the work environment carried out by the company, it is able to increase the value of the company which is more profitable, so that the company has good value for the surrounding community.

A conducive work environment affects resources in carrying out any given job. Being able to do all the work given reflects an intellectual and social ability as well as having the ability and creativity. Good intellectual ability by running according to the company's vision (Philips, et al, 2019).

Approach to the success of financial performance is influenced by the conditions of the work environment, good work environment management affects the activity and loyalty and satisfaction that will be received by customers with the services provided by the company to customers. The work facilities owned by the company are the most important factors that must be owned by the company to know about the management of the company's financial performance, because the success of the financial performance achieved in the company is determined by the work facilities owned.

**Hypothesis Testing 4**

**H4 Company reputation→financial performance**

Based on table 4.10 above, it can be seen that the path coeffiecient value is 0.201 which has an indication that financial performance has a positive effect on innovation mediated by Strategic Objectives. The results of hypothesis testing indicate that the relationship between innovation and financial performance has a t of 2,613, the value is greater than t table (1,734). So it can be concluded that the company reputation variable has a positive but not significant effect on financial performance so that Hypothesis 4 is accepted.

In a company reputation, measurements that can be used by companies as a tool to measure the level of success on product reputation, financial reputation and management reputation (Delgado, et al, 2011). To maintain the company's reputation, adaptation is needed as a forum to improve the company's reputation. In this case, the company conducts training for company employees as the most important resource in maintaining the reputation of a company. Because the service or service provided to customers creates customer ratings for the company. By maintaining the company's reputation, if the company's reputation is good, the resulting financial performance will be positive.

A good company reputation reflects the company's good financial performance. Because the company's reputation is one of the important indicators in generating financial performance. The success of a company seen from a good company reputation is very useful for companies to sell products at premium prices, get convenience when they want to borrow money from banks, attract reliable human resources, and relate to customers easily. Which means that reputation is a valuable intangible asset (goodwill) of the company so it is very important to be managed by the company.

**Hypothesis Testing 5**

**H5 Strategic Objectives→financial performance**

Based on table 4.10 above, it can be seen that the path coefficient value is 0.184 which indicates that innovation, CSR, work environment and company reputation have a positive effect on innovation mediated by Strategic Goals. The results of hypothesis testing indicate that the relationship between innovation and financial performance has a t of 1,913, the value is greater than t table (1,734). So it was concluded that the strategic objective variable had a positive but not significant effect on financial performance so that Hypothesis 5 was accepted.

In terms of this study, positive financial performance, the company is influenced by the level of innovation, CSR, work environment and company reputation, strategic

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objectives affect the level of effective company activities to increase the growth that will be achieved by the company in the future. The plans made by the company are adjusted to the strategic objectives that have been made by the company to develop internal resources by having a competitive advantage in order to increase the company's continuity in the future (Gonzales, et al, 2018). Companies to sell products at premium prices, get convenience when they want to borrow money from banks, attract reliable human resources, and deal with customers easily.

**Hypothesis Testing 6**

**H6 Innovation→Strategic goals→Financial performance**

The strategic goal of mediating innovation with a VAF value of 0.53, it is concluded that there is no mediating effect from these indicators. Because the VAF value is 20% - 80%. Thus, the innovation variable on strategic objectives is due to having a VAF value of 53%, so hypothesis 6 is supported by mediation. Or there is mediation on the innovation variable to strategic goals. Either direct influence or indirect influence.

Financial performance, one of which is in the financial sector. The decline in financial performance, during the COVID-19 pandemic, could be caused by a decline in the debtor's financial condition, late payments and other payment problems, as well as the deteriorating business prospects of creditors. Which results in a decline in credit quality or the occurrence of bad loans which will have an impact on the decline in banking financial performance.

In this case, the disbursement of credit in a larger amount compared to customer deposits will cause banks to face liquidity risk which will lead to a decline in banking financial performance. The COVID-19 pandemic has not only impacted the financial performance of the banking sector, but also the performance of companies financing, one of which is fintech. Thus, giving rise to various services in the field of financial services by utilizing modern technology that provides services in the form of payments, lending money, investments, transfers.

**Hypothesis Testing 7**

**H7 CSR→Strategic Goals→Financial performance**

The strategic objective of mediating CSR with a VAF value of 0.56, it is concluded that there is a partial mediating effect of these indicators because the VAF is between 20% - 80%.

Tabel 5. Hypothesis Testing

| Influence Description | The calculation results |
|---|---|
| CSR→ST→Performance | |
| Direct Influence | 0.82 |
| Indirect influence | 0.62 |
| Total Influence | |
| 0.82 + 0.62 = 1.44 | |
| VAF | 0.82 / 1.44 = 0.56 |

The calculation of the VAF value of 0.56 or 56%, which means that in hypothesis 7 there is partial mediation. That is the strategic objective of mediating CSR in this research. Hypothesis 7 is supported or accepted by mediation. Have a VAF value between 20% - 80%.

The influence of CSR on strategic objectives shows a positive influence on sales obtained by the company by showing a positive acceptance between the market and the revenue that will be obtained by the company. Therefore, the level of success of financial performance is influenced by CSR indicators (Gonzales, et al. 2018).

Thus, the objective of Corporate Social Responsibility is to integrate business management in carrying out corporate strategies to produce strategic intangible assets such as company reputation and as knowledge to be gained in innovations that will be carried out by the company. The disclosure of social responsibility carried out by the company greatly affects the company's financial performance, because the disclosure of sustainability or corporate responsibility to the surrounding community provides value for the company which will affect the financial performance produced by the company.

**Hypothesis Testing 8**

**H8 Work Environment→Strategic Goals→Financial performance**

The strategic objective of mediating the work environment with a VAF value of 0.71, it is concluded that there is a partial mediating effect of these indicators because the VAF is between 20% - 80%.

Table 6. Hypothesis Testing

| Influence Description | The calculation results |
|---|---|
| LK→ST→Performance | |
| Direct Influence | 0.75 |
| Indirect influence | 0.30 |
| Total Influence | |
| 0.75 + 0.30 = 1.05 | |
| VAF | 0.75 / 1.05 = 0.71 |

The calculation of the VAF value of 0.71 or 71%, which means that in hypothesis 8 there is partial mediation. Namely the strategic objective of mediating the work environment in this study. Hypothesis 8 is supported or accepted by mediation. Have a VAF value between 20% - 80%.

A conducive work environment affects resources in carrying out any given job. Being able to do all the work given reflects an intellectual and social ability as well as having the ability and creativity. Good intellectual ability by running according to the company's vision (Philips, et al, 2019).

Approach to the success or achievement of a company's goals is influenced by the conditions of the work environment, good work environment management affects the activity and loyalty and satisfaction that will be received by customers with the services provided by the company to customers. The work facilities owned by the company are the most important factors that must be owned by the company to know about the management of the company's financial performance, because the success of the financial performance achieved in the company is determined by the work facilities owned.

**Hypothesis Testing 9**

**H9 Company reputation→Strategic Goals→Financial performance**

The strategic objective of mediating the company's reputation with a VAF value of 0.75, it is concluded that there is no mediating effect from these indicators because the VAF value is > 20%.

Tabel 7. Hypothesis Test

| Influence Description | The calculation results |
|---|---|
| RP→ST→Performance | |
| Direct Influence | 0.75 |
| Indirect influence | 0.25 |
| Total Influence | |
| 0.75 + 0.25 = 1.00 | |
| VAF | 0.75 / 1.00 = 0.75 |

The calculation of the VAF value of 0.75 or 75%, which means that in hypothesis 9 there is mediation. Namely strategic goals do not mediate the reputation of the company in this study. Hypothesis 9 was not supported or accepted by mediation. Have a VAF value between 20%-80%

To maintain the company's reputation, adaptation is needed as a forum to improve the company's reputation. In this case, the company conducts training for company employees as the most important resource in maintaining the reputation of a company. Because the service or service provided to customers creates customer ratings for the company. By maintaining the company's reputation, if the company's reputation is good, the resulting financial performance will be positive.

**Hypothesis Testing 10**

**H10 Innovation, CSR, Work Environment and Company reputation→financial performance with strategic objectives as a mediating variable**

Based on the R Square value in table 4.8 of 0.469 which has an indication that innovation, CSR, work environment and company reputation have a positive effect on innovation mediated by Strategic Goals. The results of hypothesis testing indicate that the relationship between innovation, CSR, work environment and company reputation on financial performance has a positive influence on the variables perceived as mediating variables, namely strategic objectives. It is concluded that the variables of innovation, CSR, work environment and company reputation have a significant positive effect on financial performance by 47% so that Hypothesis 10 is accepted.

In terms of this study, positive financial performance, the company is influenced by the level of innovation, CSR, work environment and company reputation, strategic objectives affect the level of effective company activities to increase the growth that will be achieved by the company in the future. The plans made by the company are adjusted to the strategic objectives that have been made by the company to develop internal resources by having a competitive advantage in order to increase the company's continuity in the future (Gonzales, et al, 2018). Companies to sell products at premium prices, get convenience when they want to borrow money from banks, attract reliable human resources, and deal with customers easily.

The current strategic objectives carried out by finance companies are able to attract public interest to use the services of finance companies. This is supported by the phenomenon of the emergence of online-based financing companies in Indonesia to make it easier for people to carry out financing activities. It seems like the phenomenon of the emergence of finctech companies today. The emergence of online-based finance companies to improve the financial performance of finance companies which has declined since the emergence of the covid-19 pandemic

**Conclusion**

Based on the results of the analysis conducted by the researchers, it can be concluded that: In carrying out innovations in the company to increase the revenue earned by the company, strategic goals are needed that support it. So that the resulting company's financial performance can be in accordance with company goals. The financial performance of the financing company can run or have a positive influence value because it is influenced by the CSR carried out by the company. With the CSR activities carried out by the company, it is able to increase the value of the company which is more profitable, so that the company has good value for the surrounding community. The influence of CSR on financial performance shows a positive influence on sales obtained by the company by showing a positive acceptance between the market and the revenue that will be obtained by the company.

The financial performance of the finance company can run or have a positive influence value because it is influenced by the work environment carried out by the company. With the work environment carried out by the company, it is able to increase the value of the company which is more profitable, so that the company has good value for the surrounding community. A conducive work environment affects resources in carrying out any given job.

Being able to do all the work given reflects an intellectual and social ability as well as having the ability and creativity. To maintain the company's reputation, adaptation is needed as a forum to improve the company's reputation. In this case, the company conducts training for company employees as the most important resource in maintaining the reputation of a company. Because the service or service provided to

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