Syntax Literate: Jurnal Ilmiah Indonesia p–ISSN: 2541-0849
e-ISSN: 2548-1398
Vol. 7, No. 12, Desember 2022

THE INFLUENCE OF COMPANY CHARACTERISTICS AND CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON FIRM VALUE ON SRI KEHATI INDEX COMPANIES 2016-2020

Amanda Tiara Salsha Putri, Suripto
Program Studi Akuntansi, Fakultas Ekonomi Dan Bisnis, Universitas Pamulang, Indonesia
Email: sls.amd20@gmail.com, dosen00756@unpam.ac.id

Abstract

This study intends to examine and collect empirical evidence regarding the influence of Company Characteristics and Corporate Social Responsibility Disclosure on firm value. This study uses a sample of the IDX Sri Kehati company from 2016 to 2020. The sample of this study was determined using a purposive sampling approach, which resulted in 12 companies being the research sample with observations for 5 (five) years, with a total of 60 companies reporting reports. This research is an example of associative quantitative research. The analytical method used is panel data regression. The result of this study are: (1) Company Characteristics as proxied by Managerial Ownership has a negative influence on Firm value, and (2) Company Characteristics as proxied by Board of Commissioners Size has no significant influence on Firm value. (3) Corporate Social Responsibility Disclosure has no significant influence on firm value. (4) Company characteristics as proxied by managerial ownership, company characteristics as proxied by board of directors size, and Corporate Social Responsibility Disclosure all affect firm value simultaneously.

Keywords: Managerial Ownership; Size of the Board of Commissioners; Corporate Social Responsibility Disclosure; and Firm value

Introduction

To produce goods and services for sale, Enterprise Measurement can unite and organize various resources (Nahda & Harjito, 2011). Firm value is an investor's impression of the company, which is often associated with stock prices. Company owners want high firm value because high firm value indicates high shareholder prosperity (Sondokan, Koleangan, & Karuntu, 2019).

Firm value is usually measured by comparing its book value with its market value. To calculate the market value of the firm by multiplying the market price of its shares and the number of shares outstanding, while calculating the book value of the firm's equity by subtracting the book value from the total assets and liabilities (Stacia & Juniarti, 2016).

How to cite:	Amanda Tiara Salsha Putri, Suripto (2022) The Influence Of Company Characteristics And Corporate Social Responsibility Disclosure On Firm Value On Sri Kehati Index Companies 2016-2020,, *Syntax Literate : Jurnal Ilmiah Indonesia (7) 12,* http://dx.doi.org/10.36418/syntax-literate.v6i6
E-ISSN:	2548-1398
Published by:	Ridwan Institute

Tobin's Q ratio is used to make one book value and market value of equity to estimate the value of the firm. The market value of company assets (calculated as market value of outstanding shares plus company debt) divided by the cost of replacing assets is known as Tobin's Q ratio (Dewi & Nugrahanti, 2014). To maximize the value of the firm for investors, management strives to improve the company's performance and increase its value. A clear indication of this is the number of firms seeking to maximize profits using current resources.

In this study, the Firm Value variable shows the GAP phenomenon. This trend is seen in the decline in the share price of PT. Bank Central Asia, Tbk. (BBCA). BBCA's share price was reported to have fallen by Rp350, or 1.63 percent, from the close of trading earlier on Thursday afternoon (21/6/2018).Director of BCA Santoso admitted that it was impossible to separate the decline in the issuer's share price from global sentiment (Bisnis.com, 2018).

Another GAP is the dramatic decline in revenue and net income that PT. Astra International, Tbk (ASII) experienced last year. The holding company for plantations, financial services, mining, heavy equipment, and cars posted a net profit of Rp 16.16 trillion in 2016. ASII's net profit fell 25.56 percent from Rp 21.71 trillion in the first year of 2019 (investasi.kontan.id, 2020).

In this study, the value of the firm is influenced by several factors, including company characteristics and corporate social responsibility disclosure (CSRD), which is an issue that is currently being discussed as a tool that can solve problems in the management and accountability of modern companies.

Company characteristics are the things that are tied to the company and can be used to identify the company when they are present. Every company is different from the others in several ways. Managerial ownership and the size of the board of commissioners are the mechanisms of the company's features that will be examined in this study to have an influence on the value of the firm. This technique is used because management ownership is an internal mechanism of the company, while external and internal mechanisms (Suastini, Purbawangsa, & Rahyuda, 2016).

The characteristics of a corporation represented by managerial ownership include the fact that management owns shares in the company and actively participates in decision making. The size of managerial share ownership in a company can reveal if management and shareholders have the same interests (Tarantika & Solikhah, 2019). The board in charge of supervising and providing advice or direction to the company's directors is a feature of the company which is symbolized by the size of the board of commissioners.

In addition, the research GAP of this study is the result of corporate social responsibility. The results of data collection and analysis show that disclosure has the potential to increase company profitability. This means that if the company can implement and improve information disclosure of CSR activities, it will increase profitability because it can foster a good perception among the wider community. One of the factors that influence firm value in this study is Corporate Social Responsibility

Disclosure (CSRD), a subject that is now seen as a tool that can solve problems in current management and organizational responsibility.

According to Widyowati & Rani's (Widyowati & Rani, 2019) on Corporate Social Responsibility Disclosure, the relationship between CSRD and profitability shows that the CSRD variable has a positive and significant influence in predicting the results of company profitability with ROA, ROE, and NPM ratios. Purnamawati et al. (Purnamawati, Yuniarta, & Astria, 2017) claim that the relationship between CSR and value has no significant influence because the organizations studied do not fully implement CSR activities in accordance with the required criteria, which include 130 items or indicators.

The above description shows that there is a research gap between the findings of one study and another. Therefore, it would be useful to review research on the influence of corporate social responsibility disclosure and corporate characteristics.

Based on the background described above, it can be seen that the formulation of the problem from this research is as follows:

1. Do the characteristics of the company as proxied by managerial ownership affect the value of the firm?
2. Do the characteristics of the company as proxied by the size of the board of commissioners affect the value of the firm?
3. Does corporate social responsibility disclosure affect the value of the firm?
4. Do the characteristics of the company as proxied by managerial ownership, the characteristics of the company as proxied by the size of the board of commissioners, and corporate social responsibility disclosure affect the value of the firm?

Method

Secondary data is a source of research data for this study, which is categorized as quantitative research. 25 Sri Kehati Index companies listed on the IDX from 2016 to 2020 became the research sample. Samples from 12 organizations with 60 observation data points over a period of 5 years were obtained using purposive sampling technique.

Table 1 Example Standards

No	Example Standards	Does not meet Standards	Meet the Standards
1	Sri Kehati Index Company listed on the IDX during 2016-2020.	-	25
2	Companies that are consistently included in the Sri Kehati index for the 2016-2020 period.	9	16
3	Sri Kehati Index Company which uses Rupiah currency.	1	15

4	Companies whose financial statements provide complete data such as total shares, total assets, and in relation to the variables studied..	3	12
Observation year: 2016-2020 = 5 years Total data: 12 x 5 = 60 data			

Source: Secondary data processed (2022)

The literature study method and secondary data documentation were used as data collection techniques in this study. The secondary data used is the annual report that has been listed by IDX companies on the Sri Kehati Index during 2016-2020.

The methods used for data analysis include descriptive statistics, panel data regression model selection, classical assumption testing (normality, multicollinearity, heteroscedasticity, autocorrelation), panel data regression analysis, and hypothesis testing. The influence of company characteristics and corporate responsibility disclosure as independent variables on firm value as the dependent variable.

Results And Discussion

A. Results

1. **Descriptive Statistical Test**
   a. The mean, maximum, and minimum values were used to describe the descriptive statistical analysis. The following are the results of the descriptive statistical analysis of this study:
   b. In 2016 PT. Bank Mandiri Tbk. has a company variable value with a minimum value of 9.24, and in 2017 PT. Kalbe Farma Tbk has a maximum score of 4.93. The mean value is 1.58, with a standard deviation of 76.44.
   c. The smallest managerial ownership value is -6.141 in 2016 owned by PT. Unilever Indonesia Tbk in 2016. While the maximum value of -2,550 is owned by PT. Kalbe Farma Tbk in 2019. The average is -3.987 and the standard deviation is 39.143.
   d. In 2018, PT. Unilever Indonesia Tbk has a minimum value of 1,098. In 2016, PT. Astra International Tbk has a maximum value of 2,484. The average value is 1,910 and the foreign exchange standard is 4,743.
   e. In 2019, PT. Astra International Tbk has a Corporate Social Responsibility variable with a minimum value of 1,407 and PT. Wijaya Karya in 2018 Tbk. has a maximum value of 1,830. The mean value is 1.614 and the standard deviation is 0.795.

Table 2 Descriptive Statistics Test Results

	Firm Value	Managerial Ownership	Board of Commissioners	*Corporate Social Responsibility Disclosure*
Mean	1.581938	-3.987298	1.910670	1.614148
Median	1.160217	-3.983339	1.945910	1.630769

Maximum	4.931390	-2.550774	2.484907	1.830769
Minimum	9.24E-06	-6.141294	1.098612	1.407692
Std. Dev.	1.178926	0.843622	0.293687	0.120227
Skewness	1.391958	-0.482922	-0.529363	0.025175
Kurtosis	4.213905	3.054844	3.493238	1.839669
Jarque-Bera	21.52208	2.183680	3.183092	3.147440
Probability	0.000021	0.335598	0.203611	0.207273
Sum	88.58850	-223.2887	106.9975	90.39231
Sum Sq. Dev.	76.44265	39.14337	4.743848	0.795003
Observations	56	56	56	56

Source : Secondary Data Processed (2022)

2. Panel Data Regression Model Selection

Common effect model (CEM), fixed effect model (FEM), and random effect model (REM) are three panel data regression models that can be used for panel data regression analysis (REM). Three tests, the Chow test, Hausman test, and the Lagrange multiplier test, provide the best model selection approach for panel data regression analysis. The Chow test, which was used to select the panel data regression model, resulted in a cross section probability F of 0.0000 < 0.05. According to the Hausman test, the Chi-Square probability value is 0.3121 > 0.05. The LM test shows a p value of 0.0000 <0.05. So it can be concluded that the random effect model is the right model to be used as a panel data regression model.

Table 3 Panel Data Regression Model Test

No	Metode	Hasil
1	*Chow Test*	*Fixed Effect*
2	*Hausman Test*	*Random Effect*
3	*Lagrange Multiplier Test*	*Random Effect*

Source: Secondary Data Processed (2022)

3. Classic assumption test

a. Normalization Test

Jarque-Bera is the most popular residual normality test (Ghozali & Ratmono, 2017). The Jarque-Bera test is carried out if the Jarque-Bera probability is more than 0.05, the null hypothesis H0 is not rejected, or the residuals are normally distributed. Based on the normality test using the eviews program, it shows that the results of testing the data for normality have a significant value of 0.220375 > 0.05, meaning that the data in this study are normally distributed.

b. Multicollinearity Test

Multicollinearity occurs if the correlation of each independent variable is more than 0.90; the regression model is not multicollinear (Ghozali & Ratmono, 2017). Based on the research multicollinearity test that there is no independent variable that has a correlation above 0.90 so that there is no multicollinearity.

c. Heteroscedasticity Test

There are no signs of heteroscedasticity or must accept H0 and reject H1 if the value of Obs*R-squared has a probability value of chi square > 0.05. (Ghozali & Ratmono, 2017). The probability value of Obs*R-squared > from the significant value ($\alpha = 0.05$) is 0.4178 > 0.05. Therefore, it can be concluded that this study does not have heteroscedasticity.

d. Autocorrelation Test

The Durbin Watson (DW) figure shows how the autocorrelation test is performed. The DW test only evaluates first-order autocorrelation, requires inclusion of the intercept (constant) in the regression model, and asks for the exclusion of other independent variables. The test findings show an autocorrelation because the Durbin-Watson stat value is 0.942551, dL = 1.4581 (DW dL) (0.942551 1.4581), and the dU value = 1.6830 (DW dU) (0.942551 1, 6830). Positive autocorrelation is known to exist. Panel data does not require autocorrelation test for OLS and GLS techniques (Kuncoro, 2014).

4. Panel Data Regression Analysis

Based on the selection of the regression model previously carried out, the random effect model is the most appropriate regression model to be used in this study.

Table 4 Panel Data Regression Analysis Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.859756	1.509068	-0.569726	0.5713
KPM	0.230060	0.090761	-2.534785	0.0143
UDK	0.082119	0.508262	0.161567	0.8723
CSR	0.869344	0.601957	1.444195	0.1547
R-squared	0.151245	Mean dependent var	0.197706	
Adjusted R-squared	0.102278	S.D. dependent var	0.335824	
S.E. of regression	0.315872	Sum squared resid	5.188309	
F-statistic	3.088731	Durbin-Watson stat	0.942551	
Prob(F-statistic)	0.034993			

Source : Secondary Data Processed (2020)

The regression equation from table 4 with the dependent variable of CSR disclosure is as follows:

$$\mathbf{Y = -0.859756 - 0.230060KPM + 0.082119\ UDK + 0.869344CSR}$$

a. Coefficient of Determination Test

The dependent variable, Firm Value, which can be explained or influenced by the independent variable, has an Adjusted R-squared value of 0.102278 (10 percent) according to the table above (managerial ownership, size of the board of commissioners and corporate social responsibility disclosure). While the factors not considered in this study accounted for 90% of the variance.

b. F Test

Based on the results of the F test, the Fcount value is 3.088731, the significance level is 0.034993, the number of n is 56, the number of k is 3, and the significance level is 0.05. These results are translated into values: df = k-1 = 4 - 1 = 3, and df2 = n - k = 56 - 3 = 53. The F table value is 2.78 with df1 = 3 and df2 = 53. Simultaneous (simultaneous) managerial ownership, board of commissioners size, and CSR disclosure on firm value can be seen from the data above which shows that Fcount 3.088731 > Ftable 2.78 or significant value 0.034993 < 0.05.

c. T test

Based on the results of the t test or partial test above, it is obtained:

- Company Characteristics Variable as proxy for Managerial Ownership has a tcount of -2.534785 which is smaller than ttable (-2.534785 < 1.67469), and a significance value of 0.0143 < 0.05, so Ho is rejected and H1 is approved. As a result, Firm Value is negatively affected by Company Characteristics as proxied by Managerial Ownership.
- The Board of Commissioners Size Variable is used as a proxy for the Company Characteristics Variable, and because the tcount value of 0.161567 is smaller than the ttable value (0.161567 < 1.67469) and the significance value is 0.8723 > 0.05 then H0 is accepted and H1 is rejected. Therefore, the Company's Characteristics as proxied by the Size of the Board of Commissioners have no influence on Firm value.
- The Corporate Social Responsibility Disclosure variable has a tcount of 1.444195 smaller than ttable (1.444195 < 1.67469), and a significance value of 0.1547 > 0.05, so H0 is accepted and H1 is rejected. Therefore, Corporate Social Responsibility Disclosure has no influence on Firm value.

Discussion

Influence of Company Characteristics as proxy for Managerial Ownership on Firm value

According to research by Khoiriyah & Wirawan (Khoiriyah & Wirawan, 2021), managerial ownership has a positive effect on firm value, in accordance with agency theory, which states that the more managerial ownership, the higher the firm value. In accordance with the hypothesis test that has been carried out above, the managerial ownership variable negatively affects firm value. The findings of this study confirm previous research that Amaliyah and Herwiyanti (Amaliyah & Herwiyanti, 2019) found management ownership to have a negative influence on firm value. Since a higher percentage of managerial ownership will decrease the value of the firm, it has a negative influence on the company. These results show how badly managerial ownership controls the management of the company, resulting in a decrease in corporate control and an increase in opportunistic behavior on the part of management.

The influence of company characteristics as proxied by the size of the board of commissioners on Firm Value

According to the hypothesis test that has been done, the size of the Board of Commissioners does not have a significant influence on firm value. This study implies that the function of the independent board of commissioners is less influenceive in companies in the mining sector, so it can be assumed that the board of commissioners cannot increase the value of the company. There is no relationship between the number of independent commissioners and the company's valuation. This may be due to the existence of independent commissioners only as a formality to comply with the Financial Services Authority (OJK) law, which prohibits them from carrying out their supervisory responsibilities influenceively. The findings of this study are in line with the research of Amaliyah and Herwiyanti (Amaliyah & Herwiyanti, 2019) which did not find a significant positive influence on firm value from the independent board of commissioners.

The Influence of Corporate Social Responsibility Disclosure on Firm value

Corporate social responsibility (CSR) is a company's responsibility to mitigate the negative influences of its operational activities, which also includes economic, social and environmental responsibilities. The variable of Corporate Social Responsibility Disclosure is known to have a negative and insignificant influence on firm value based on the findings of the hypothesis test study. The findings of this study are in line with the research of Stacia and Juniarti (Stacia & Juniarti, 2016) who found that Corporate Social Responsibility Dislcosure to Firm Value.

The Influence of Company Characteristics as proxied by Managerial Ownership, Company Characteristics as proxied by Board of Commissioners Size, and Corporate Social Responsibility Dislcosure on Firm value

According to research Arlita et al. (Arlita, Bone, & Kesuma, 2019) managerial ownership has an influence on firm value, and the Board of Commissioners is responsible for encouraging the application of strong corporate governance principles; the implementation of the program helps corporate social responsibility increase sales so that the company can provide high returns to investors. The findings of Arlita et al. were validated by this study. Firm value is significantly influenced by the influence of firm characteristics as proxied by managerial ownership, firm characteristics as proxied by the size of the board of commissioners, and disclosure of corporate social responsibility. The significance value for this finding is 0.034993, which when compared to 0.05 indicates that the significance of F is less than alpha ($0.034993 < 0.05$).

Conclusions

The conclusions that can be drawn from this research are as follows: 1). Company characteristics as proxied by Managerial Ownership have a negative influence on firm value. Therefore, the disclosure of managerial ownership components in the annual report can provide added value for the company but can have a negative influence because along with the increase in the value of the company, the value of shareholders' wealth also increases. 2). Company characteristics as proxied by the size of the Board of Commissioners have no influence on firm value. This finding indicates that the function of the independent board of commissioners is less influenceive in mining sector companies, so it can be concluded that the board of commissioners cannot increase the value of the company. 3). Corporate Social Responsibility Disclosure has no value for the company. This happens because not all community service initiatives can increase the value of the company. 4). Variables of Company Characteristics as proxied by managerial ownership, Company Characteristics as proxied by the size of the board of commissioners, and corporate social responsibility disclosure simultaneously affect the firm value of the Sri Kehati BEI company for 2016 to 2020.

Due to the low coefficient of determination (R square) in this study, further research is needed to better understand the variables that affect firm value. And it is hoped for further researchers to extend the time to more than 5 (five) years. The more companies that meet the research criteria are included in the sampling, the more representative the research results will be.

BIBLIOGRAPHY

Amaliyah, Fitri, & Herwiyanti, Eliada. (2019). Pengaruh kepemilikan institusional, dewan komisaris independen, dan komite audit terhadap nilai perusahaan sektor pertambangan. *Jurnal Akuntansi*, *9*(3), 187–200. Google Scholar.

Arlita, Rizki, Bone, Hamid, & Kesuma, Agus Iwan. (2019). Pengaruh good corporate governance dan leverage terhadap praktik manajemen laba pada perusahaan manufaktur sektor industri barang konsumsi yang terdaftar di bursa efek Indonesia (bei). *Akuntabel*, *16*(2), 238–248. Google Scholar.

Bisnis.com. (2018). *Harga Saham Turun 1,63%, Ini Tanggapan BCA*. Retrieved from https://finansial.bisnis.com/read/20180621/90/808276/harga-saham-turun-163-ini-tanggapan-bca. Google Scholar.

Dewi, Laurensia Chintia, & Nugrahanti, Yeterina Widi. (2014). Pengaruh Struktur Kepemilikan dan Dewan Komisaris Independen terhadap Nilai Perusahaan (Studi pada Perusahaan Industri Barang Konsumsi di Bei Tahun 2011â€“2013). *Kinerja*, *18*(1), 64–80. Google Scholar.

Ghozali, Imam, & Ratmono, Dwi. (2017). *Analisis multivariat dan ekonometrika: teori, konsep, dan aplikasi dengan eview 10*. Google Scholar.

investasi.kontan.id. (2020). *Pendapatan turun tipis, laba Astra International (ASII) mencapai Rp 21,71 triliun*. Retrieved from https://investasi.kontan.co.id/news/pendapatan-turun-tipis-laba-astra-international-asii-mencapai-rp-2171-triliun. Google Scholar.

Khoiriyah, Yaumil, & Wirawan, Refysha Syafilia. (2021). Pengaruh Good Corporate Governance, Pertumbuhan Perusahaan, dan Kinerja Lingkungan terhadap Corporate Social Responsibility. *Akuntabilitas*, *15*(1), 103–128. Google Scholar.

Kuncoro, Mudrajad. (2014). *Metode Riset Untuk Bisnis & Ekonomi (Bagaimana Meneliti Dan Menulis Thesis?)*. Google Scholar.

Nahda, K., & Harjito, D. A. (2011). The Effect of Corporate Social Responsibility on Firm Value with Corporate Governance as Moderating Variable. *Jurnal Siasat Bisnis*, *15*(1), 1–12. Google Scholar.

Purnamawati, I., Yuniarta, Gede Adi, & Astria, Putu Ria. (2017). Good corporate governance dan pengaruhnya terhadap nilai perusahaan melalui corporate social responsibility disclosure. *Jurnal Keuangan Dan Perbankan*, *21*(2), 276–286. Google Scholar.

Sondokan, Nathalia V, Koleangan, Rosalina A. M., & Karuntu, Merlin M. (2019). Pengaruh Dewan Komisaris Independen, Dewan Direksi, Dan Komite Audit Terhadap Nilai Perusahaan Yang Terdaftar Dibursa Efek Indonesia Periode 2014-2017. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan*

Akuntansi, *7*(4). Google Scholar.

Stacia, Evelyn, & Juniarti, Juniarti Juniarti. (2016). Pengaruh Pengungkapan Corporate Social Responsibility terhadap Nilai Perusahaan di Sektor Pertambangan. *Business Accounting Review*, *4*(1), 81–90. Google Scholar.

Suastini, Ni Made, Purbawangsa, Ida Bagus Anom, & Rahyuda, Henny. (2016). Pengaruh kepemilikan manajerial dan pertumbuhan perusahaan terhadap nilai perusahaan pada perusahaan manufaktur di Bursa Efek Indonesia (struktur modal sebagai variabel moderasi). *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, *5*(1), 143–172. Google Scholar.

Tarantika, Risna Ade, & Solikhah, Badingatus. (2019). Pengaruh Karakteristik Perusahaan, Karakteristik Dewan Komisaris dan Reputasi Auditor Terhadap Pengungkapan Manajemen Risiko. *Journal of Economic, Management, Accounting and Technology*, *2*(2), 142–155. Google Scholar.

Widyowati, Lestari Adhi, & Rani, Inta Hartaningtyas. (2019). Pengaruh Karakteristik Perusahaan Terhadap Nilai Perusahaan dengan Perataan Laba Sebagai Variabel Intervening Pada Perusahaan Manufaktur yang Terdaftar di BEI 2014-2018. *Reviu Akuntansi Dan Bisnis Indonesia*, *3*(2), 190–205. Google Scholar.