# The Role of Corporate Social Responsibility on the Relationship between Financial Performance and Company Value

## Elok Sri UTAMI[1], Muhamad HASAN[2]

## Abstract

This study investigates the company value determinant by observing the effect of financial performance and Corporate Social Responsibility (CSR) and its role in moderating performance achievement. The macro-economy variables such as inflation and interest rate are also used as the controlling variable. This research employs the sample of manufacturing companies of the food and beverage sub-sector listed on the Indonesia Stock Exchange. This study used panel data from 2013 to 2017, with the moderating regression analysis. The result shows that the profitability of the current or previous period affects the company's value. CSR and company size affect the company value at the next period shows that stock price, which reflects the investor's perception today, will be affected by the CSR, Size, and Return On Asset of the previous year. CSR also shows that it can be the substitute for profitability since a company that performs CSR is the one that has a good performance. The regression moderating model and the profitability of the previous period have a higher explanatory power than the higher R square value in explaining company value.

**Keywords:** Company Value, Financial Performance, Corporate Social Responsibility

**JEL Classification Code:** G30, G32, O16

## 1. Introduction

Company management models in the modern era shall estimate the implication to develop a corporate social responsibility policy (Mathews, 1997) which has generated interest well beyond the confines of accounting academics and professional accountants. Managers, the media, politicians and the public have noted environmental and, therefore, social problems which may be addressed, in part at least, by identifying, measuring and (perhaps. Corporate Social Responsibility (CSR) is a form of a company's commitment to contribute to developing a company's economy along with performing an ethical activity that it will improve the employee's and their family's life, as well as improve the life of the surrounding community and society in general. The role of revealing Corporate Social Responsibility is closely related to several theories. First, it is related to the social contract theory, where a company has a social responsibility to society in performing a certain task within the borders of justice. Second, it is related to the legitimation theory which expands and responds to the demand of any parties or groups with various interests and legitimates their action. Third, it is related to the accountability theory which expands the social contract and considers the company's compliance to the applicable law, and the last is related to the decision use theory which compiles the use excluding investors (Tilt, 1994). Revealing CSR performed by a company has several advantages such as the consumer will grow more interest in the product, the company image will increase that will also increase the consumer's loyalty. Increasing consumer loyalty will provide a good impact on future sales. Logically, if there is an increase in the sale, the company profit will also increase. It means, revealing CSR will provide additional information besides profit which is the measurement of financial performance that will impact the company value (Marshall & Ramsay, 2011).

[1]First Author and Corresponding Author. Associate Professor, Department of Management, Faculty of Economics and Business, Universitas Jember, Indonesia [Postal Address: Kampus Tegalboto, Jl. Kalimantan No.37, Kabupaten Jember, Jawa Timur 68121, Indonesia] Email: elok_utami.feb@unej.ac.id
[2]Assitant Professor, Department of Management, Faculty of Economics and Business, Universitas Jember, Indonesia. Email: muhamadhasan0803@gmail.com

Company value itself is the investor's perception of the company's level of success in managing its resources. The investor perception can be triggered by the performance proxy such as profit, company size, and leverage level as the risk proxy. In the stock market, besides considering the company size in making an investment decision, the investor will also observe the debt burden bear by the company in organizing their activities or commonly known as leverage, since high debt utilization will make it the company difficult in fulfilling the duty and decrease the company value (Guadano & Pedroza,2018). In the recent era, there is a discourse where a company has a social responsibility as the form of their obligation which will also be counted in beside the macro-economy factors. These macro-economy factors can be in the form of inflation and interest rate, where a rate is a reflection on the price that shall be paid to an opportunity lost (Fernandez, 2015).

Study on CSR and performance as the proxy of company value has raised many interests, some are showing the correlation of CSR and performance with contradictory results. Several studies revealed the positive correlation between the two constructs (Allouche & Laroche, 2005; Graves & Waddock, 1994; Griffin & Mahon, 1997; Orlitzky, Schmidt, & Rynes, 2003), some other researchers found a negative correlation (Bromiley & Marcus, 1989; Wright & Ferris, 1997), and some other did not find any correlation (Aupperle, Carroll, & Hatfield, 1985; Teoh, Welch, & Wazzan, 1999). Based on the condition above, this study tries to observe the role of CSR in moderating the financial performance on the company value and several fundamental variables of a company as well as the macro-economy variables such as inflation and interest rate which can affect the company value.

This paper is structured as follows. Section two discusses the theory review of the role of CSR with different approaches, as the influencing variable and the moderating variable to develop a hypothesis. Section three explains the research method with the econometrics models such as lag and moderating model. Section four explains the results of the analysis and discussion. The final section concludes this paper.

## 2. Literature Review and Hypotheses

Company value is defined as the company's ability to provide maximum prosperity to shareholders if the company's share price increases (Orlitzky, Schmidt, & Rynes, 2003). Firm value is the present value of free cash flow in the future and is discounted at the weighted average cost of capital. Free cash flow is the cash flow available to investors in this case creditors and owners after calculating all expenses for company operations, investment expenses, and expenditures on net current assets (Brigham & Erdhadt,

2005: 518). One of the alternatives used in measuring firm value is to use Tobin's Q developed by Professor Tobin (Guadano & Pedroza, 2018). This ratio is a valuable concept because it represents a current financial market estimate of the return on any funds invested.

### 2.1. The Effect of Financial Performance on Company Value

Financial performance is a measurement of the company's success in making a profit. A company needs a financial performance as the reference to determine and evaluate the company's success on the financial activities conducted. The company's financial performance is measured by using Return on Asset (ROA), a ratio used to show the profit achieved upon the assets used in the company. Investors will be interested in this ratio since they are expecting a maximum return on their investment. Luthfiah and Suherman (2018), Murpradana (2015), Rosikah et al. (2018), and Sudiyatno, Puspitasari, Suwarti, and Asyif (2020) explained that Return on Assets has a positive significant effect on company value. This shows that the better ROA value, theoretically, means a good financial performance, which will increase the stock price and finally, increase the company value. Based on the previous studies, it is possible to formulate the following hypothesis:

*H1: Financial performance influences company value.*

### 2.2. The Effect of Leverage on Company Value

An external funding source obtained by the company (debt) is used to obtain a greater profit. Leverage is the capacity of a company to pay the company's financial obligation in the short-term until long-term. Leverage is how far the company's assets are funded by using debts, which shows the number of debts used by the company to fund its operating activities compared to the number of independent funds. A company that can manage the debt well will create a great equity market and the company with a lower debt ratio can have a high company value (Guadaño & Pedroza, 2018; Mulyana & Saputra, 2017; Sudiyatno et al., 2020) we have witnessed how companies and institutions have devoted significant effort to developing Corporate Social Responsibility (CSR. Based on the explanation above, it is possible to formulate the following hypothesis:

*H2: Leverage influences company value.*

### 2.3. The Effect Company Size on Company Value

Company size is determined or valued through the assets, total sales, profit, tax burden, etc. The company size is seen from the number of assets owned by the company, where

more assets mean bigger company size. Company size will ease the funder which comes from either the internal or external part of the company. Company size will easily increase the company value (Elouidani & Zoubir, 2015; Gunawan, Pituringsih, & Widyastuti, 2018; Meizari & Viani, 2017; Murdayanti, Ulupui, Pahala, Indriani, & Surherman, 2020; Sudiyatno et al., 2020) assets owned by a company determine the profit gained by the company. Bigger assets owned by a company means a bigger profit. Small assets, if used maximally, accompanied by an optimum sale and cost efficiency, will help the company maintain its value. Other study shows that company size does not affect the company value (Guadaño & Pedroza, 2018)we have witnessed how companies and institutions have devoted significant effort to developing Corporate Social Responsibility (CSR. Based on the previous theory and studies, it is possible to formulate the following hypothesis:

**H3:** *Company size influences company value.*

## 2.4. The Effect of Corporate Social Responsibility on Company Value

The stakeholder theory is a strategic management concept that aims to help the corporation maintain its relationship with external parties and develop competitive excellence (Cornell & Shapiro, 1987; Freeman, 1984). The stakeholder theory states that a company's sustainability and success depend on the stakeholder's economic and non-economic needs fulfilled through Corporate Social Responsibility (Pirsch, Gupta, & Grau, 2007). Carrying out social responsibility is needed to increase the company's reputation that will create a good company performance. The cost spent on carrying out social responsibility makes a certain responsibility for the market because it is the determining factor of a company's value. The good response given by a company for the social responsibility implementation will increase the company value, thus the stock price will increase and be accompanied by increasing stock sales. Empirical studies show that corporate social responsibility has a positive significant effect on company value (Chen & Lee, 2017; Pham, Ngo, Le, & Nguyen, 2020, Elouidani & Zoubir, 2015; Guadaño & Pedroza, 2018) , did not find the significant effect of CSR on company value. Based on the explanation above, the proposed hypothesis is:

**H4:** *Corporate Social Responsibility influences company value.*

## 2.5. Control Variables

This study uses several control variables that are expected to be able to explain the correlation between the independent and dependent variables. Some studies used economic environment control in the form of inflation (Frank & Goyal, 2009; Köksal & Orman, 2015; Memon, Rus, & Ghazali, 2015). Inflation will be the control since inflation is a price rise in general which has the potential to decrease the public's purchasing power of money. The decreased purchasing power will cause a decreasing real income level (Wright & Ferris, 1997). Interest rate is also used as the control variable with SBI interest rate as the proxy, which explains that SBI interest rate is a risk-free interest rate or basic interest rate which can be used to perceive profit or return.

## 3. Research Methods and Samples

### 3.1. Regression Model

Model 1 tests the correlation of financial performance, company size, and leverage on company value, with the macro-economy variable in the form of inflation and interest rate as the control variable. The Tobin's Qit value is the company value i at period t, performance with ROAit, leverage ratio with DERit, company size (SIZEit) with the natural logarithm of the total asset. Inflation ($\text{Inf}_{it}$) is measured using inflation sensitivity size on a company's stock return, interest rate ($\text{INTS}_{it}$) is measured the sensitivity SBI on a company's stock return.

$$\text{Tobin's Q}_{it} = \alpha + b_1\text{ROA}_{it} + b_2\text{LnSIZE}_{it} + b_3\text{DER}_{it} + b_4\,\text{INF}_{it} + b_5\text{INTS}_{it} + e_{it} \quad (1)$$

Model 2 tests the correlation of financial performance, company size, leverage, and CSR at period $t$–1, with the company value at period $t$. Logically, company value $t$ will be affected by performance achievement $t$–1 (previous period), with variable control of inflation and interest rate by using period $t$. Model 2 also adds corporate social responsibility (CSR) as the variable that influences the company value.

$$\text{Tobin's Q}_{it} = \alpha + b_1\text{ROA}_{it-1} + b_2\text{LnSIZE}_{it-1} + b_3\text{DER}_{it-1} + b_4\,\text{CSR}_{it-1} + b_5\text{INT}_{it} + b_6\text{INTS}_{it} + e_{it} \quad (2)$$

Model 3 is a development of Model 2 by investigating the role of CSR as the moderating variable on a company's performance since the CSR variable is a social responsibility activity that will further support the market's perception of the company value. CSR as moderation is based on the resulting inconsistency, such as the assumption that CSR is a phenomenon of the western countries, while in the developing region like Asia, the standard is weak (Chapple & Moon, 2005). CSR can strengthen or weaken the relationship between financial performance and company value. The role of the moderating variable can also be

classified into (a) pure moderator, if this variable interacts with the independent one without being an independent variable, (b) quasi moderator, if the moderated variable does not experience any changes, (c) potential moderator, if this variable affects the power of the independent variable to the dependent one, and (d) predictor moderator, if this variable takes the role as the independent variable within the generated relationship model.

$$\text{Tobin's Q}_{it} = \alpha + b_1 \text{ROA}_{it-1} + b_2 \text{LnSIZE}_{it-1} \\ + b_3 \text{DER}_{it-1} + b_4 \text{CSR}_{it-1} \\ + b_5 \text{ROA} * \text{CSR}_{it} + b_6 \text{INF}_{it} \\ + b_7 \text{INFS}_{it} + e_{it} \qquad (3)$$

## 3.2. Research Sample

This research was conducted on the manufacturing companies of the Food and Beverage sub-sector listed on the Indonesia Stock Exchange in the 2013-2017 period. The sampling technique was purposive sampling. The selected company did not perform any corporate actions (Relisting, Right Issue, Stock Split, Tender Offer, Merger, Acquisition, Buyback), during the study period. There were 65 data of the company's financial report observation obtained from www.idx.co.id.

## 4. Results and Discussion

### 4.1. Descriptive Statistics

The descriptive statistics of the variables can be seen in Table 1.

In Table 1, there were the descriptive statistics of each variable, with the mean, minimal, and maximal value and the deviation standard. The ROA percentage is 11%, and company size of 28.77, the DER mean was 96.7% which indicates the debt average of the company in this sector was 96,7% compared to its equity, with negative inflation sensitivity, showed that the company in this sector was having negative inflation, which means companies, in general, were not impacted by inflation and interest rate. The Tobin's Q means a value obtained was 1.737 showed that the equity market value was 1.737 times the company's equity book value.

In Table 2, ROA had a negative significant correlation with DER but has a positive effect on Tobin's Q, while with Size, CSR, and INTS, it was negative. The correlation

**Table 1:** Descriptive Statistic of Variables

| Variable | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|
| ROA (%) | −0.10 | 0.66 | 0.110 | 0.13 |
| Ln_SIZE (%) | 26.43 | 32.15 | 28.77 | 1.51 |
| DER (%) | 0.17 | 2.87 | 0.97 | 0.49 |
| CSR (%) | 0.25 | 0.63 | 0.38 | 0.09 |
| INF | −67.51 | 51.93 | −2.19 | 17.56 |
| INTS | −387.17 | 81.37 | −12.18 | 66.63 |
| Tobin's Q (%) | 0.09 | 9.81 | 1.74 | 1.98 |

Note: ROA (Return on assets, Ln_SIZE (Ln. total assets), DER (debt to equity ratio), CSR (Corporate Social Responsibility), INF (Inflation), INTS (interest), Tobin's Q (Company Value).

**Table 2:** Correlation Matrix

| Variable | ROA | Size | DER | CSR | INF | SBI | Tobin'S Q |
|---|---|---|---|---|---|---|---|
| ROA | 1 | | | | | | |
| SIZE | 0.141 | 1 | | | | | |
| DER | −0.284* | −0.083 | 1 | | | | |
| CSR | −0.118 | 0.521** | 0.003 | 1 | | | |
| INF | 0.200 | −0.211 | −0.099 | −0.027 | 1 | | |
| INTS | −0.193 | 0.102 | −0.055 | 0.310* | −0.504** | 1 | |
| TOBIN'S Q | 0.851** | 0.259* | −0.303* | −0.224 | 0.256* | −0.279* | 1 |

** Correlation is significant at the 0.01, and * at 0.05.

of SIZE and CSR was positive, while with DER, INF, and INTS was insignificant. DER had a negative significant correlation with Tobin's Q, while with CSR, INF, and INTS was insignificant. CSR had a positive significant correlation with INTS, while with INF was insignificant. The correlation among independent variables in this study had the coefficient value of < 0,8, which means there was no multi-co-linearity (Lewis-Beck, 1993).

Results of the assessment's role CSR moderating effect of financial performance on company value is shown in Table 3.

In Table 3, the correlation among variables such as performance, leverage, CSR, and the macro variables on the company value. To be clear, we break down each effect. ROA had a positive influence on company value (models 1 and 2), which means a higher ROA will create higher company value. ROA used performance t and ROA at period ($t$–1) could influence the investor's perception which was reflected through stock price. In model 3, we could see that previously, ROA had no influence on company value. Then there was a

**Table 3:** Pooling Data for Regression Analysis

| Variable | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| ROA | 14.078** | 14.499** | 1.646 |
|  | (12.305) | (14.695) | (1.455) |
| DER | 0.056 | 0.078 | –0.028 |
|  | (0.237) | (0.374) | (–0.119) |
| CSR |  | –3.707** | 8.077** |
|  |  | (–2.561) | (4.985) |
| ROA*CSR |  |  | 41.340** |
|  |  |  | (12.145) |
| Control Variable |  |  |  |
| SIZE | 0.055 | 0.179* | 0.217** |
|  | (0.631) | (2.044) | (0.517) |
| INF | 0.001 | –0.002 | 0.010 |
|  | (0.096) | (–0.307) | (–1.274) |
| INTS | –0.001 | 0.000 | 0.000 |
|  | (–0.723) | (0.058) | (0.168) |
| Constant | –1.048 | –3.624 | 3.275 |
|  | (–0.559) | (–1.610) | (1.300) |
| *F* statistic | 3.235* | 4.316* | 4.676* |
| Adj. *R* Squared | 0.050 | 0.722 | 0.713 |
| Durbin Watson | 1.827 | 1.890 | 1.828 |

Note: *, **, denote significant level at 10%, and 5%, respectively. The *t*-values are given in parentheses. Models 2 and 3 are the regressions of the Lag ($t$–1) model.

change after CSR involved or either worked separately in moderating the performance. This result showed that ROA, which is a performance measurement, provided information to the investor regarding its performance. The market will perceive positively towards performance achievement. This finding is suitable for the result of Luthfiah and Suherman (2018), Rosikah et al. (2018), who stated that Return On Assets has a positive significant influence on company value.

Models (1, 2, 3) showed consistent results that stated that leverage has no significant influence on company value. This means the debt ratio at period t and the previous period ($t$–1) do not become the consideration in perceiving company value. On the descriptive statistics, there was a low company DER ratio, but also there was one with nearly 300% debt compared to its equity. The leverage ratio average was 96,7% which means the company debt was smaller than its equity. It means the equity value as the debt collateral is higher. In general, this sector is considered safe. This finding confirms the MM theory stated that capital structure does not affect the company value. In other words, leverage, which can be considered as risk measurement, does not justify the company value, since there are many things involved. This result is in line with Elouidani and Zoubir (2015) but is different to Fernández-Guadaño (2015), Guadaño and Pedroza (2018)we have witnessed how companies and institutions have devoted significant effort to developing Corporate Social Responsibility (CSR, and Orlitzky et al. (2003) which found the negative correlation between DER with performance and company value.

Company size at the previous period of one year has a positive and significant influence (model 2 and 3), while at period *t* (model 1) it has no significant influence on company value. It means a bigger company size will create a higher company value or higher stock price. Investor views company size as the reflection of company assets development accumulation during its operating period. Thus, size shows a guarantee that a company has easier access to the fund. A big sized company is more trusted and has a low risk that grows more investor's interest to invest. This result is in line with Elouidani and Zoubir (2015), but Guadaño and Pedroza (2018)we have witnessed how companies and institutions have devoted significant effort to developing Corporate Social Responsibility (CSR did not find any significant correlation between company size and company value

Corporate Social responsibility has a significant influence on company value (models 3 and 4). It shows that increasing CSR will create a higher stock price as the result of increasing the good perception of the company. This result is consistent with Kanwal et al. (2013). CSR could be in the form of social and economic activity that involves society and surroundings. Carrying out CSR indicates the company has a good performance. CSR is

**Table 4:** Analysis of the Moderating Role of CSR

| Model 1 | Coefficient Reg. | Adjusted *R* Square | Moderating Type |
|---|---|---|---|
| ROA → Tobin's Q | 14.078* | 0.070 | |
| **Model 2** | | | |
| ROA → Tobin's Q | 14.999* | 0.722 | |
| CSR → Tobins's Q | −3.707* | | |
| **Model 3** | | | |
| ROA → Tobin's Q | 1.646 | 0.713 | |
| CSR → Tobins's Q | 8.077** | | |
| ROA * CSR → Tobin's Q | 41.340** | | Quasi Moderating |

Note: *, **, denote significant level at 10%, and 5%, respectively.

closely related to the company size and profitability (the correlation value was significant) which means the big-scale companies with high profitability will carry out more CSR. Although CSR costs a lot, CSR is expected to create a good image in the long-term. Research denied the assumption that CSR is the phenomenon of western countries as the investor reference in justifying the company value. Still, this result explained that even though CSR is a mandatory action, it has not yet been prioritized in the developing countries. CSR in the concept of sustainable development can influence the raise of company value. The study of CSR which can moderate performance can be seen in Table 4.

Model 4 explained the role of SR in moderating performance (ROA) on company value, showed a quasi-moderation, which means CSR was also becoming the independent variable as ROA. The other interpretation showed CSR substituted the role of ROA in influencing company value. This result confirms that investor perception can be influenced by the performance achieved, which means if the company has a good performance in the form of high profitability, it will raise the stock price. However, when the investor has both information on CSR and ROA, then an investor will assume that CSR can substitute the company's performance information (ROA). CSR can be an independent variable like ROA.

Inflation and interest rate did not influence the company value (models 1, 2, and 3). It shows that inflation did not influence the company value at The Food and Beverage company, which indicates that any interest rate fluctuation will not affect the investor's perception. High inflation will decrease the purchasing power of the society and the real income obtained by an investor from the investment. However, the impact of inflation did not significantly affect the stock price. It means inflation fluctuation did not impact the investor's perception of the stock market. Meanwhile,

Interest rate is a risk-free interest rate and is the basic reference of interest rate in general. Still, in the stock market, the investor will not include it in their estimation to invest in a company

## 5. Conclusion

This study tries to investigate the effect of financial performance, leverage, company size, and macro-economy factors such as inflation and interest rate on the company value at the sector of Food and Beverage during 2013–2017. This research also tested the role of CSR in moderating performance on company value. The result found that the profitability of the current and previous periods affected the company value. A higher company's financial performance is a green light for the investor concerning the sustainable company growth that it will be able to raise the company value. Company size affected the company value. Company size will determine the company value which later will be involved in the investor's decision-making. Leverage did not affect company value.

Debt rate or leverage, inflation, and interest rate did not affect the company value. CSR affected company value. The number of indicators revealed affected the positive response to the investor accompanied by the raise of company value. The moderating variable strengthens the correlation between financial performance and CSR on the company value. Activities carried out in the social, economic aspects within the society and the environment will create a good financial performance. The cost spent on activities will make the company grow sustainably and increase the company value.

## References

Allouche, J., & Laroche, P. (2005). A Meta-analytical investigation of the relationship between corporate social and financial

performance. *Revue de Gestion Des Ressources Humaines*, *57*, 18–31.

Aupperle, K. E., Carroll, A. B., & Hatfield, J. D. (1985). An Empirical Examination of the Relationship between Corporate Social Responsibility and Profitability. *Academy of Management Journal*, *28*(2), 446–463. https://doi.org/10.5465/256210

Bromiley, P., & Marcus, A. (1989). The deterrent to dubious corporate behavior: Profitability, probability, and safety recall. *Strategic Management Journal*, *10*(3), 233–250. https://doi.org/10.1002/smj.4250100304

Chapple, W., & Moon, J. (2005). Corporate social responsibility (CSR) in Asia a seven-country study of CSR Web site reporting. *Business and Society*, *44*(4), 415–441. https://doi.org/10.1177/0007650305281658

Chen, R. C. Y., & Lee, C.-H. (2017). The influence of CSR on firm value: an application of panel smooth transition regression on Taiwan. *Applied Economics*, *49*(34), 3422–3434. https://doi.org/10.1080/00036846.2016.1262516

Cornell, B., & Shapiro, A. C. (1987). Corporate Stakeholders and Corporate Finance. *Financial Management*, *16*(1), 5. https://doi.org/10.2307/3665543

Elouidani, A., & Zoubir, F. (2015). Corporate social responsibility and financial performance. *African J. of Accounting, Auditing and Finance*, *4*(1), 74. https://doi.org/10.1504/ajaaf.2015.071749

Fernández-Guadaño, J. (2015). Measuring the economic performance of socially responsible companies. *Zbornik Radova Ekonomskog Fakulteta u Rijeci: Časopis Za Ekonomsku Teoriju i Praksu*, *33*(2), 207–233. https://doi.org/10.18045/zbefri.2015.2.207

Frank, M. Z., & Goyal, V. K. (2009). Capital structure decisions: Which factors are reliably important? *Financial Management*, *38*(1), 1–37. https://doi.org/10.1111/j.1755-053X.2009.01026.x

Graves, S. B., & Waddock, S. A. (1994). Institutional Owners and Corporate Social Performance. *Academy of Management Journal*, *37*(4), 1034–1046. https://doi.org/10.2307/256611

Griffin, J. J., & Mahon, J. F. (1997). The corporate social performance and corporate financial performance debate: Twenty-five years of incomparable research. *Business and Society*, *36*(1), 5–31. https://doi.org/10.1177/000765039703600102

Guadaño, J. F., & Pedroza, J. H. S. (2018). Impact of Corporate Social Responsibility on value creation from a stakeholder perspective. *Sustainability*, *10*(6), 1–10. https://doi.org/10.3390/su10062062

Gunawan, I. M. A., Pituringsih, E., & Widyastuti, E. (2018). The Effect of Capital Structure, Dividend Policy, Company Size, Profitability and Liquidity on Company Value (Study At Manufacturing Companies Listed on Indonesia Stock Exchange 2014–2016). *International Journal of Economics, Commerce and Management*, *VI*(6), 405–442.

Kanwal, M., Khanam, F., Nasreen, S., & Hameed, S. (2013). Impact of Corporate Social Responsibility on the Firm'S Financial Performance. *IOSR Journal of Business and Management*, *14*(5), 67–74. https://doi.org/10.9790/487x-1456774

Luthfiah, A. A., & Suherman, S. (2018). The Effects of Financial Performance Toward Firm Value with Ownership Structure As Moderating Variable (The Study on Manufacturing Companies Listed in Indonesia Stock Exchange in the Period of 2012–2016). *Journal of Business and Behavioural Entrepreneurship*, *2*(1), 18–27. https://doi.org/10.21009/jobbe.002.1.03

Marshall, S. D., & Ramsay, I. (2011). Stakeholders and Directors' Duties: Law, Theory and Evidence. *SSRN Electronic Journal*, *35*, 291. https://doi.org/10.2139/ssrn.1402143

Mathews, M. R. (1997). Twenty-five years of social and environmental accounting research: Is there a silver jubilee to celebrate? In: *Accounting, Auditing & Accountability Journal* (Vol. 10).

Meizari, A., & Viani, T. O. (2017). Effect of Profitability, Size and Debt Policy to Company Value ( Study on Business-27 Company Listed On BEI ). In: *3rd International Conferences on Information Technology and Business (ICITB)*, 7 December 2017.

Memon, P. A., Rus, D. R. B. M., & Ghazali, D. Z. B. (2015). Dynamism of Capital Structure: Evidence from Pakistan. *Journal of International Business and Economics*, *3*(1), 52–63. https://doi.org/10.15640/jibe.v3n1a7

Mulyana, A., & Saputra, M. (2017). The Influence of Liquidity, Profitability and Leverage on Profit Management and Its Impact on Company Value in Manufacturing Company Listed on Indonesia Stock Exchange Year 2011–2015. *International Journal of Managerial Studies and Research*, *6*(1), 8–14. https://doi.org/10.20431/2349-0349.0601002

Murdayanti, Y., Ulupui, I. G. K. A., Pahala, I., Indriani, S., & Surherman, S. (2020). Corporate Governance and Value Relevance in Indonesia Manufacturing Companies. *Journal of Asian Finance, Economics and Business*, *7*(11), 335–346. https://doi.org/10.13106/jafeb.2020.vol7.no11.335

Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, *24*, 403–433. https://doi.org/10.1177/0170840603024003910

Pham, H. C., Ngo, D. A., Le, H. T., & Nguyen, T. T. (2020). Corporate social responsibility and the pricing of seasoned equity offerings: Does executive firm-related wealth matter? *Journal of Asian Finance, Economics and Business*, *7*(8), 297–308. https://doi.org/10.13106/JAFEB.2020.VOL7.NO8.297

Pirsch, J., Gupta, S., & Grau, S. L. (2007). A framework for understanding corporate social responsibility programs as a continuum: An exploratory study. *Journal of Business Ethics*, *70*(2), 125–140. https://doi.org/10.1007/s10551-006-9100-y

Rosikah, P.D.K., Muthalib, D. A., Azis, M. I., & Rohansyah, M. (2018). Effects of Return on Asset, Return On Equity , Earning Per Share on Corporate Value. *The International Journal of Engineering and Science (IJES)*, *7*(3), 6–14. https://doi.org/10.9790/1813-0703010614

Sudiyatno, B., Puspitasari, E., Suwarti, T., & Asyif, M. M. (2020). Determinants of Firm Value and Profitability: Evidence from Indonesia. *The Journal of Asian Finance, Economics and Business*, *7*(11), 769–778. https://doi.org/10.13106/jafeb.2020.vol7.no11.769.

Teoh, S. H., Welch, I., & Wazzan, C. P. (1999). The effect of socially activist investment policies on the financial markets: Evidence from the South African boycott. *Journal of Business*, *72*(1), 35–89. https://doi.org/10.1086/209602.

Tilt, C. A. (1994). The Influence of External Pressure Groups on Corporate Social Disclosure. *Accountability Journal*, *7*(4), 47–72.

Wright, P., & Ferris, S. P. (1997). Agency conflict and corporate strategy: The effect of divestment on corporate value. *Strategic Management Journal*, *18*(1), 77–83. https://doi.org/10.1002/(sici)1097-0266(199701)18:1<77::aid-smj810>3.3.co;2-i.