

THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY, AUDIT COMMITTEE, AND FINANCIAL PERFORMANCE ON FIRM VALUE

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Abstrak

Studi ini menyelidiki faktor-faktor potensial yang menjelaskan hubungan yang tidak konsisten antara CSR, Komite Audit dan Kinerja Keuangan pada nilai perusahaan. Konsep tanggung jawab sosial perusahaan (CSR) telah mendapatkan banyak perhatian dan saat ini telah dipraktikkan oleh banyak perusahaan. Saat ini CSR telah berkembang sebagai strategi perusahaan untuk menjaga kelangsungan usaha dan diindikasikan untuk meningkatkan nilai perusahaan. Selain CSR, komite audit juga dapat memaksimalkan nilai perusahaan karena dewan direksi bekerja untuk melindungi investasi dari penipuan dengan berpartisipasi aktif dalam pengembangan strategi perusahaan, memberikan insentif yang sesuai kepada manajemen dan memantau serta mengevaluasi kinerjanya sehingga untuk meningkatkan kepercayaan dan pengungkapan informasi keuangan. Populasi dalam penelitian ini adalah perusahaan manufaktur sektor industri barang konsumsi yang terdaftar di Bursa Efek Indonesia (BEI) periode 2017-2019 sebanyak 64 perusahaan. Contoh pengujian ini ditentukan dengan teknik purposive testing dan diperoleh 31 organisasi yang tercatat di Bursa Efek Indonesia (BEI) periode 2017-2019 sehingga all out sample adalah 93 persepsi. Jenis data yang digunakan adalah data sekunder yang diperoleh secara online melalui www.idx.com. Pengujian hipotesis dalam penelitian ini menggunakan analisis regresi linier berganda. Alat uji yang digunakan adalah Eviews 9. Hasil penelitian ini menunjukkan bahwa secara simultan Corporate Social Responsibility, komite audit dan kinerja keuangan berpengaruh positif terhadap nilai perusahaan. Secara parsial, Corporate Social Responsibility tidak berpengaruh terhadap nilai keuangan, sedangkan komite audit dan kinerja keuangan berpengaruh negatif terhadap nilai perusahaan.

Kata kunci : *Kinerja Keuangan; Komite Audit; Nilai Perusahaan; Tanggung Jawab Sosial Perusahaan.*

Abstract

This study investigates the potential factors that explain the inconsistent relationship between CSR, Audit Committee and Financial Performance on firm value. The concept of corporate social responsibility (CSR) has gained much attention and has been currently practiced by many companies. Currently, CSR has developed as a company strategy to maintain business continuity and is indicated to increase company value. In addition to CSR, the audit committee can also maximize the value of the company because the board of directors works to protect investments from fraud by actively participating in the development of corporate strategy, providing appropriate incentives to management and monitoring and evaluating its performance so as to increase the trust and disclosure of financial information. The population in this study is the consumer goods industrial sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2019 period as many as 64 companies. The example of this examination was determined by purposive testing technique and got 31 organizations recorded on the Indonesia Stock Exchange (IDX) for the 2017-2019 period so the all out example was 93 perceptions. The type of data used is secondary data obtained online through the www.idx.com. Hypothesis testing in this study uses multiple linear regression analysis. The test tool used is Eviews 9. The results of this study indicate that simultaneously Corporate Social Responsibility, audit committee and financial performance have a positive effect on firm value. Partially, Corporate Social Responsibility does not affect the financial value, while the audit committee and financial performance have a negative effect on firm value.

Keywords : *Audit Committee; Corporate Social Responsibility; Financial Performance; Firm Value.*

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I

INTRODUCTION

“Mandatory and voluntary Corporate Social Responsibility (CSR) disclosures can make a difference in nature and extent of reporting between companies. From time to time, each country issues mandatory reporting provisions including disclosure regulations that result in increasing numbers of disclosures becoming more diverse in each country” (Ioannou & Serafeim, 2014). In Indonesia, CSR activities have begun to be regulated in UU No.40/ 2007 concerning Limited Companies. Article 74 paragraph 1 states that limited companies that conduct business in the field and/or concerned with natural resources are required to carry out social and environmental responsibilities. Another regulation that incorporates CSR is UU No.25/ 2007 at Article 15 (b). This act states that every investor is obliged to carry out social responsibility. However, the act has not yet confirmed how companies must report CSR activities until the government issues Government Regulation No. 47 of 2012 concerning Corporate Social and Environmental Responsibility. Article 6 of this regulation requires the implementation

of social and environmental responsibility to be contained in the Company's annual report and accounted for the General Meeting of Shareholders. That year has become a milestone for CSR reporting requirements for corporate companies. Not much research has focused on the effects of disclosure in the early days of CSR reporting. In addition, this study wants to contribute to how the effects of CSR disclosure at the time of reporting regulations are issued.

At present, CSR has developed as a corporate strategy to maintain business continuity. It can be said that CR reporting has become a major business practice worldwide. According to the (KPMG, 2013) Survey, almost three-quarters (71 percent) of the 4,100 companies surveyed reported CSR. Other findings show that Corporate Responsibility (CR) reporting in the Asia Pacific has increased dramatically over the past two years. Nearly three-quarters (71 percent) of the companies based in the Asia Pacific now publish CR reports, an increase of 22 percent since 2011 when less than half (49 percent) did so. The highest CR growth since 2011 was seen in India (+53 percent), Chile (46), Singapore (37), Australia (+25), Taiwan (+19) and China (+16). Besides, more than half percent (51 percent) of companies disclose CR information in their annual financial statements. This is a drastic increase since 2011 (when only 20 percent did it) and 2008 (only 9 percent). The direction of development of CR is now more visible because some companies now disclose CR data in their financial statements. Therefore, this can be considered a global standard practice.

“CSR disclosure is a means for companies to communicate CSR efforts that have been carried out both mandatorily and voluntarily. Companies express CSR because stakeholders care about social and environmental issues” (Gray et al., 1995). Companies allocate considerable resources to disclose extensive information about CSR issues either in annual reports or in self-contained reports such as Sustainability Reports. Research conducted by (Hill et al., 2007) found that in the long run, companies committed to CSR experienced a very significant increase in share prices compared to companies that did not practice CSR. (Bajic & Yurtoglu, 2018) who used a sample from 35 countries over the 2003-2016 period found a significant economically relationship between the overall size of CSR and firm value. But on the contrary, research by (Crisóstomo et al., 2011) through the estimation of econometric models shows the tendency of negative CSR effects on firm value in Brazil. The relationship between CSR and corporate values is still inconclusive and varies between countries.

In Indonesia, which is a developing country, CSR research on firm value also shows inconsistent results. (Rustiarini, 2010) prove that CSR disclosure has a positive impact on the company's value in the future. Likewise, (Maknuun et al., 2021) concluded that the long-term stability and prosperity of the company can be obtained if the company carries out social responsibility of the community. But the opposite results are shown by research by (Nurlela; & Islahuddin, 2008). The research concluded that disclosure of Corporate Social Responsibility does not affect the value of the firm. The results of this study show a variety of relationships ranging from positive, negative or no relationships at all. “Hence, the direction of the research is still on whether there is a relationship

between CSR reporting with firm value but most are not able to reveal how the relationship is” (Fakhimuddin et al., 2021).

Most prior research has focused on the relationship between CSR initiatives and corporate value that result in inconsistent findings. This phenomenon provides an incomplete understanding of the relationship and triggers the existence of potential contingency factors. In addition to CSR, we also use profitability and the audit committee which may also be factors that can affect firm value.

Based on the description above, the authors are interested in conducting a study entitled "The Impact of Corporate Social Responsibility, Audit Committee, and Financial Performance on Firm Value".

LITERATURE REVIEW

Signal theory was first coined by (Akerlof, 1970) in the results entitled "The Market Lemons". Akerlof's thinking was later developed by (Spence, 1973) in the basic equilibrium signaling model. Signal theory according to (Connelly et al., 2011) is an action taken by a company to provide instructions to investors on how to assess the company's prospects.

Agency theory by (Jensen & Meckling, 1976) defines “agency theory as the relationship between agents (management of a business) and principals (business owners)”. In an agency relationship there is a contract between the principal who hires another person or agent to perform services and make decisions that have been delegated to him. So that in an agency relationship, management is expected to take company policies, especially financial policies that benefit the owner of the company.

The stakeholder theory according to (Freeman, 1984) explains that “the theory states that the company is not an entity that only operates for its own interests, but must provide benefits to all its stakeholders. Thus, the existence of a company is strongly influenced by the support provided by stakeholders to the company”. The company is not only responsible for the shareholders (owners) as has been the case so far, but has shifted to a wider scope, namely in the social sphere (stakeholders), hereinafter referred to as social responsibility. This phenomenon occurs because of demands from the community due to negative influences from companies that arise as well as social inequalities, therefore, originally the company's responsibility was mostly measured by economic indicators, now it must also take into account the responsibility to stakeholders both in the internal and external social scope of the company. This is a successful means for companies to negotiate relationships with their stakeholders.

In stakeholder theory, companies have responsibilities other than carrying out their operational activities. (Solihin, 2008) explains that “Corporate Social Responsibility is one of several corporate responsibilities to stakeholders, in this case are people or groups who can influence or be influenced by various decisions, policies, or company operations”.

Disclosure of social responsibility by the company is expected to increase the value of the firm and be a signal about the company's concerns and prospects going forward to external parties. (Ball & Brown, 2014) state that changes in stock prices move under investor expectations so that it will affect the behavior of investors in making decisions. The valuable information is the company's CSR disclosure, while investor's behavior is the investor's response to the announcement of the company's annual report. Research that links CSR disclosures to corporate value is conducted by (Rustiarini, 2010) and (Andayani et al., 2011). Their research supports the hypothesis that the level of disclosure of CSR information in the company's annual report increases the value of the firm. Then the hypothesis used :

H₁ : Corporate Social Responsibility has a positive effect on firm value.

Conflicts of interest in agency theory between owners and agents often occur because it is likely that the agent in carrying out his authority is not in accordance with the interests of the principal, so that it can trigger high agency costs. Agency conflicts that often occur in an effort to maximize company value can be minimized through the implementation of good corporate governance. The purpose of improving corporate governance is to reduce agency conflicts, so that the company's competitiveness and company value can increase (Amaliyah & Herwiyanti, 2019). In agency theory, there is one way to measure good corporate governance, namely by the effectiveness of the company's organs, namely using an audit committee (Shanti, 2020). Then the hypothesis used :

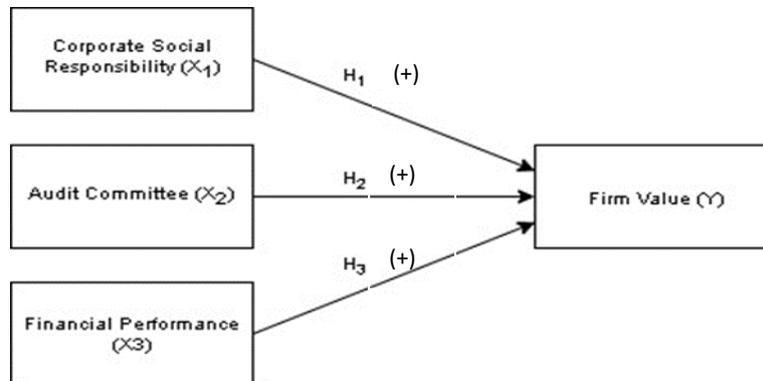
H₂ : Audit committee has a positive effect on firm value.

Increased profits can increase the company's dividend ratio, as stated by signaling theory. Subsequently, investors would expect larger returns and higher stock prices, resulting in more corporation value. Another explanation is that profitability reflects a firm's ability to generate operational efficiency (Chen & Waters, 2017). Investors anticipate that high firm efficiency increases shareholder return, supporting a larger stock investment portfolio. When the stock investment portfolio grows larger, the firm's value may increase. Finally, we argue that profitability may affect company value, since it increases investor and shareholder trust. Higher profitability gives investors and shareholders a positive profile of the firm's accomplishments and increases their loyalty. (Chung et al., 2018), (Harahap et al., 2020), (Ardila et al., 2018) prove that there is positive evidence of the relationship between profitability and firm value. Then the hypothesis used :

H₃ : Financial performance has a positive effect on firm value.

Conceptual Framework

Figure 1
Framework



Source : Data Processed, 2021

RESEARCH METHODS

This research data was obtained by accessing online on the www.idx.co.id page. This study focuses on how much effect Corporate Social Responsibility, audit committee, and financial performance on firm value. The populace utilized in this investigation are producing organizations in the customer products industry area recorded on the Indonesia Stock Exchange (IDX) in 2017-2019. The example utilized in this examination depends on specific measures chose by utilizing purposive testing technique. Data processing in this study uses the Eviews 9 application. The criteria for selecting the sample include:

1. Number of manufacturing companies in the consumer goods industry on the Indonesia Stock Exchange (IDX) during the 2017-2019 period
2. Manufacturing companies in the consumer goods industry that do not publish complete annual reports and sustainability reports during the 2017 - 2019 period.
3. Manufacturing companies in the consumer goods industry that suffered losses during the 2017-2019 period.

In this study, the dependent variable used is the firm value proxied by Tobin's Q calculated by the following formula (Wright & Smithers, 2005).

$$Q = \frac{(EMV + D)}{(EBV + D)}$$

Descriptions:

- Q = Firm Value
 EMV = Equity Market Value
 EBV = Equity Book Value
 D = Debt

The latest standard for Corporate Social Responsibility reporting is GRI Standard which was published in 2013 which has 3 main categories, namely economic, environmental and social. Calculation of Corporate Social Responsibility (Faiqoh & Mauludy, 2019) is formulated as follows.

$$\text{CSRIj} = \frac{\sum x_{ij}}{n_j} \times 100\%$$

Descriptions:

CSRIj = Corporate Social Responsibility company index

n_j = Number of disclosure criteria of Corporate Social Responsibility for company j, $n_j = 91$

$\sum x_{ij}$ = Implemented indicator points (1 = if the criteria are disclosed; 0 = if the criteria are not disclosed)

The total membership of the audit committee is required to have at least three members, of which the chairman is an independent commissioner of the company and the other members are people from external parties who are independent and may have background or experience in finance and accounting (Amaliyah & Herwiyanti, 2019). The audit committee variable in this study is formulated as follows.

$$\text{Audit Committee} = \frac{\text{Number of Audit Committee Members}}{\text{Number of Board Commissioner}} \times 100\%$$

To measure the company's financial performance, according to (Cendrawati & Fuadati, 2018), profitability ratios are usually used. Profitability according to is the company's ability to generate profits. The measure of profitability that is directly related to the interests of the company's financial performance analysis is the *Return on Assets* (ROA). The higher the ROA value, the company in using its assets will be more efficient so that it will generate profits or profits for the company. The calculation of ROA (*Return of Assets*), can be formulated as follows.

$$\text{Return of Assets (ROA)} = \frac{\text{Net Profit}}{\text{Total of Asset}} \times 100\%$$

This theory test utilized numerous relapse investigation. Different direct examination is done to test the impact of free factors on the reliant variable. The various relapse condition with the accompanying structure.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Descriptions:

Y = Firm Value or Tobin's Q score

α = Constant value

$\beta_{1,2,3}$ = Coefficient of change in value

X1 = Corporate Social Responsibility

X2 = Audit Committee

X3 = Financial Performance

e = Residual variable (error rate) or standart error

RESULTS AND DISCUSSION

Tests were taken utilizing the purposive examining strategy. In view of the rules acquired an example of 31 organizations during the period 2017 to 2019. The full subtleties of the exploration test can be found in the table as follow.

Table 1
Study Sample

No	Descriptions	Total
1.	Number of manufacturing companies in the consumer goods industry on the Indonesian Stock Exchange (IDX) during the 2017-2019 period	46
2.	Manufacturing companies in the consumer goods industry that do not publish complete annual reports and sustainability reports during the 2017 - 2019 period	(4)
3.	Manufacturing companies in the consumer goods industry that suffered losses during the 2017-2019 period	(11)
	Number of companies studied in 2017-2019	31

Test Descriptive Test

Descriptive statistical analysis according to Sugiyono (2017 : 199) is a “statistic used to analyze data by describing or describing the data that has been collected as it is without intending to make conclusions that apply to the public or generalizations”. The resulting descriptive statistics include mean, median, minimum, maximum, standard deviation.

Table 2
Descriptive Statistics

	Firm Value	CSR	Audit Comm	ROA
Mean	1.773656	37.24441	0.847849	12.44151
Median	0.990000	36.26000	1.000000	8.030000
Maximum	10.72000	48.35000	1.500000	92.10000
Minimum	0.320000	26.37000	0.380000	0.050000
Std. Dev.	1.911789	5.894113	0.314497	13.33443
Observations	93	93	93	93

Source : Output Eviews 9, 2021

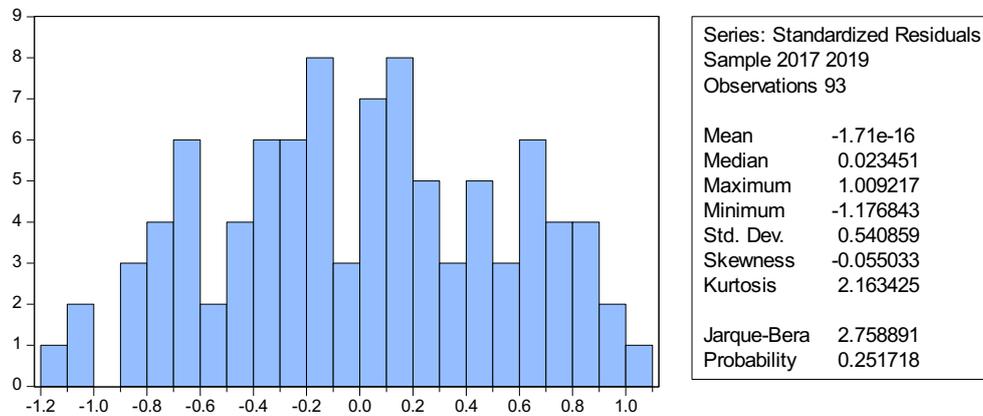
Classical Assumption Test

Normality Test

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. The most widely used residual normality test is the Jarque-Bera test (Ghozali & Ratmono, 2017). The significance level of the

Jarque-Bera probability value is greater than 0.05, where the hypothesis is H_0 if the residuals are normally distributed and H_a if the residuals are not normally distributed.

Figure 2
Normality Test Results



The result shows that the Jarque-Bera Probability value is 0.251718, greater than the significance level (α) of 0.05. This shows that the data is normally distributed.

Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between residual (residual) errors in period t and errors in period $t-1$ (previous). If there is a correlation, it is called an autocorrelation problem (Ghozali & Ratmono, 2017). The way to detect autocorrelation according to (Ghozali & Ratmono, 2017) is to perform the Durbin-Watson test (DW test).

Table 3
Autocorrelation test Results

R-squared	0.997866	Mean dependent var	10.11151
Adjusted R-squared	0.996672	S.D. dependent var	12.90259
S.E. of regression	0.675386	Sum squared resid	26.91265
F-statistic	835.9776	Durbin-Watson stat	2.247993
Prob(F-statistic)	0.000000		

Based on the table above, it can be seen that the Durbin-Watson value is 2.247993. The dL value is 1.5966 and the dU value is 1.7295. The $4 - dU$ value is 2.2705 and the $4 - dL$ value is 2.4034. Durbin-Watson shows that the location of the Durbin-Watson value of 2.247993 lies between dU and $4 - dU$. Then H_0 is accepted and there is no autocorrelation.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in a regression model there is an inequality of variance from the residuals from one observation to another. If the variance of the residuals from one observation to another observation remains, it is called homoscedasticity, and if the variance is different then it is called heteroscedasticity. A good regression model is not happening heteroscedasticity (Ghozali & Ratmono, 2017).

In this study using the glesjer test method. There is no heteroscedasticity if the prob value. more than 0.05.

Table 4
Heteroscedasticity test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.187889	0.976670	1.216264	0.2287
X1	-0.006937	0.022476	-0.308617	0.7587
X2	-0.673745	0.494294	-1.363046	0.1780
X3	-0.005972	0.005658	-1.055615	0.2954

The results with the glesjer test shows that the probability of each variable is above the significance level (α) 0.05, which means that there is no heteroscedasticity.

Multicollinearity Test

The multicollinearity test aims to test whether in the regression model there is a high or perfect correlation between the independent variables (Ghozali & Ratmono, 2017). To test the multicollinearity problem, you can see the correlation of the dependent variable, if there is a correlation coefficient of more than 0.80 then there is multicollinearity.

Table 5
Multicollinearity test Results

	CSR	Audit Comm	ROA
X1	1.000000	-0.433962	0.422846
X2	-0.433962	1.000000	-0.176450
X3	0.422846	-0.176450	1.000000

The result shows that the correlation value between variables is less than 0.80. So, the table shows the data is free from multicollinearity.

Hypothesis Test

The coefficient of determination test shows the Adjusted R-Squared of 0.996672. This means that 99.66% of the dependent variable, namely firm value can be explained by independent variables (Corporate Social Responsibility, audit committee, and financial performance), while the rest ($100\% - 99.66\% = 0.34\%$) is explained by factors -other factors not included in the regression used in this study.

Table 6
Result of the Coefficient of Determination R²

R-squared	0.997866	Mean dependent var	10.11151
Adjusted R-squared	0.996672	S.D. dependent var	12.90259
S.E. of regression	0.675386	Sum squared resid	26.91265
F-statistic	835.9776	Durbin-Watson stat	2.247993
Prob(F-statistic)	0.000000		

Source : Output Eviews 9, 2021

F-Test

Based on the table 4 shows the results of the F statistical test, the Prob value (F-Statistic) is 0.00000. This value is smaller than the significance level (α) which is 0.05 (5%), meaning that all independent variables (Corporate Social Responsibility, audit committee, and financial performance) have a significant influence on the dependent variable (firm value). In addition, it can also be seen the results of the comparison between f_{count} and f_{table} which shows the f_{count} value is 835.9776 while f_{table} is 3.10. So it can be concluded that the independent variables, namely Corporate Social Responsibility, audit committee, and financial performance simultaneously have a significant effect on the dependent variable, namely firm value.

t-Test

Table 7
Test t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.438137	0.346299	7.040565	0.0000
CSR	-0.007834	0.008389	-0.933842	0.3542
Audit Comm	-0.381392	0.154275	-2.472156	0.0163
ROA	-0.003965	0.000896	-4.424375	0.0000

Source : Output Eviews 9, 2021

Based on the table above, the results of the t (partial) statistical test carried out with the results obtained for the t_{table} value of 1,66196 can be described as follows.

X_1 Prob result 0,3542, greater than significance level (α) 0.05, and t_{count} is -0.933842, smaller than t_{table} 1.66196. It can be concluded that the Corporate Social Responsibility variable has no effect on firm value.

X_2 Prob result 0,0163, smaller than significance level (α) 0.05, and t_{count} is -2,472156, greater than t_{table} 1.66196. It can be concluded that the audit committee variable has a negative effect on firm value.

X_3 Prob result 0,0000, smaller than significance level (α) 0.05, and t_{count} is -4,424375, greater than t_{table} 1.66196. It can be concluded that the financial performance variable has a negative effect on firm value. So, multiple linear equation regression is obtained which is formed as follows.

$$Y = 2,438137 - 0,007834 X_1 - 0,381392 X_2 - 0,003965 X_3 + e$$

Discussion

Based on the results of hypothesis testing in this study, the probability value of the Corporate Social Responsibility variable is 0.3542, greater than the significance level (α) 0.05 (5%), the coefficient value is -0.003965, and t_{count} is -0.933842, smaller than t_{table} 1.66196 It can be concluded that the Corporate Social Responsibility variable has no effect on firm value, so **H_1 is rejected**. In the UU Perseroan Terbatas number 40 of 2007 explain that the company must implement Corporate Social Responsibility and disclose

it, because if it does not implement Corporate Social Responsibility, the company will be subject to sanctions in accordance with the provisions of the legislation so that it is considered that the disclosure of Corporate Social Responsibility does not affect the value of the company (Ardimas and Wardoyo, 2014 : 64). Environmental and social factors are usually still ignored by the company. In addition, the reported Corporate Social Responsibility disclosure information is still not relevant and informative with actual circumstances or facts (Septiani and Tjakrawala, 2020 : 1313).

Based on the results of hypothesis testing in this study, the probability value of the audit committee variable was 0.0163, smaller than the significance level (α) 0.05 (5%), the coefficient value was -0.381392, and t_{count} was -2.472156, greater than t_{table} 1.66196. It can be concluded that the audit committee variable has a negative effect on firm value, so **H₂ is accepted**. “The audit committee is tasked with assisting the board of commissioners to ensure that financial statements are presented fairly in accordance with generally accepted accounting principles, the company's internal control structure is implemented properly” (Amrizal and Rohmah, 2017 : 77). However, the implementation has not been fully implemented by the company in accordance with the principles of Good Corporate Governance or it can be said that the practice of Good Corporate Governance represented by the audit committee is carried out by the company only as a formality as a fulfillment of the company's obligations under the regulations set by the government so that in implementing Good Corporate Governance has not been carried out optimally. Financial backers likewise consider that this isn't a factor that can be thought about in liking the worth of the organization (Mutmainah, 2015 : 192).

Based on the results of hypothesis testing in this study, the probability value of the financial performance variable is 0.0000, smaller than the significance level (α) of 0.05 (5%), the coefficient value is -0.007834, and t_{count} is -4.424375, is bigger than t_{table} 1.66196 It can be concluded that the financial performance variable has a negative effect on firm value, so **H₃ is accepted**. “Financial performance measurement is used by companies to make improvements to their operational activities in order to compete with other companies” (Ulfa and Asyik, 2018 : 5). However, financial performance has not been able to maximize the value of the company. This is due to the management's performance in using the company's assets that have not been managed efficiently and effectively which causes the net profit to be small while the assets owned by the company are very large (Triagustina et al., 2014 : 33).

CONCLUSION, LIMITATION AND SUGGESTIONS

Conclusion

In light of the information examination and conversation that has been depicted, the accompanying ends can be drawn.

1. Corporate Social Responsibility has no effect on firm value.
2. Audit committee has a negative effect on firm value.
3. Financial performance has a negative effect on firm value.

Research Limitation

Limitations in this study can be described as follows.

1. Our findings cannot generalize to any sample other than the Consumer Goods Industry Sector companies listed on the Indonesia Stock Exchange. It would be interesting to expand on the evidence by adding samples of firms from other countries and examining whether CSR, Audit Committees and Financial performance have an impact on firm value in a larger sample of international capital markets.
2. This research can be expanded by adding types of industries and extending the research period. Also, analysis tools can be developed by using Moderated Regression Analysis (MRA) with ratio-scale moderation variables such as potential bankruptcy.

Suggestions For Further Research

By looking at the results of the discussion that has been described, the suggestions that can be submitted are as follows.

1. Our findings are important for investors and shareholders because they can consider profitability and profitability as a combination of promising determinants and signals for them when assessing company performance.
2. For companies, in this case manufacturing companies in the consumer goods industry sector, it would be better to disclose more fully related to Corporate Social Responsibility reporting in their annual reports in order to obtain a high disclosure score.
3. For further researchers, because this study has limitations, it is recommended to choose another industrial sector, other variables that are more diverse, their measurements, and a more recent timeframe in order to obtain better results.

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