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Mainatul Ilmi, Alwan Sri Kustono, Yosefa Sayekti (2017). Effect Of Good Corporate Governance, Corporate Social Responsibility Disclosure And Managerial Ownership To The Corporate Value With Financial Performance As Intervening Variables: Case On Indonesia Stock Exchange . *International Journal of Social Science and Business.* Vol.1 (2) pp. 75-88

EFFECT OF GOOD CORPORATE GOVERNANCE, CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE AND MANAGERIAL OWNERSHIP TO THE CORPORATE VALUE WITH FINANCIAL PERFORMANCE AS INTERVENING VARIABLES: CASE ON INDONESIA STOCK EXCHANGE

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Abstrak

This study aims to analyze the direct effects of good corporate governance, corporate social responsibility disclosure, and managerial ownership of corporate value, as well as to analyze the indirect effects of good corporate governance, corporate social responsibility disclosure, and managerial ownership of firm value through financial performance. The research method used is path analysis. The population in this study are all manufacturing companies listed on the BEI in 2011-2015, with members of the population are 146 companies. The sampling technique used purposive sampling technique, then obtained 61 companies that meet the criteria, so the total sample is 310 observations (firm-years). The result of the research shows that (1) Good corporate governance (GCG) has a significant positive effect to corporate financial performance. (2) Corporate social responsibility disclosure has positive significant effect to corporate financial performance. (3) Managerial ownership does not affect to corporate financial performance. (4) Good corporate governance (GCG) has a significant positive effect to corporate value. (5) Corporate social responsibility disclosure (CSRD) has no effect to corporate value. (6) Managerial ownership does not affect to the corporate value. (7) Financial performance has a significant positive effect to corporate value.

Keywords:
GCG, CSR Disclosure, managerial ownership, corporate value, financial performance.

Introduction

The value of the firm can reflect the company's visible assets of the company's securities. Shares are one of securities issued by companies traded in the capital market. The high and low stock prices are influenced by fundamental factors, technical factors and also influenced by the strength of market supply and demand for the company's shares (Harahap, 2016). Changes in stock prices caused by supply and demand of shares in the capital market are also seen from the company's ability to provide dividends.

The ability of companies to provide dividends to investors can be used to measure the value of a company. When companies are able to provide high dividends, then the stock price tends to be high and the value of the company is also high. Conversely, if the firm gives a low dividend, then the stock price tends to be low and the firm's value is low. The company's ability to provide dividends is related to the company's ability to generate profits. The higher the profit that can be generated by the company, the dividend will also be high and vice versa, if the profit generated is lower, then the dividend will also be low (Harjito and Martono, 2012). Corporate value is useful to attract potential investors to invest in companies that have high corporate value. High corporate value will make the market believe that the company not only has good corporate performance right now, but also has good prospects in the future.

Company value can be known from the price book value (PBV) which is a comparison of the stock price with the book value per share. Companies with good corporate value have a PBV value greater than one (> 1) indicating that the value of the stock is greater than the book value per share of the company. The higher the PBV ratio, the higher the investor's assessment of the company's current stock compared

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with the investment value in the company so as to attract investors and potential investors to purchase more shares of the company (Putri et al., 2016).

The average value of the ratio of price book value (PBV) of manufacturing companies listed on the Indonesia Stock Exchange from 2011 to 2015 is as follows:

Table 1.1: Average price book value of manufacturing companies listed on the BEI

Ratio	2011	2012	2013	2014	2015
PBV	3,31	3,08	3,45	3,89	2,96

Source: Data processed

Based on Table 1.1, the average price book value of manufacturing companies listed on the IDX from 2011 to 2015 shows an average value greater than one (>1) indicating that the market value of shares is higher than the book value.

The phenomenon of corporate value with the fluctuating PBV proxies from year to year is interesting to do further study on the factors that affect the value of the company. The value of the company is related to Good Corporate Governance, Corporate Social Responsibility Disclosure, Managerial Ownership and Financial Performance (Sugiarto, 2011; Dyah, 2012; Rosiana et al. 2013; Ratih and Setyarini, 2014; Agustine, 2014; Handriyani, 2015).

Improved good corporate governance affects the improvement of company performance and overall increases company value (Black, 2005). Corporate value can be enhanced by the ability of management to manage each company's resources effectively and efficiently. Placement of appropriate human resources and in accordance with the needs portion in terms of the number of human resources in each division can have an impact on the performance of management in managing the company well. The regulation on the implementation of good corporate governance in Indonesia is contained in the Regulation of the Minister of SOEs no. PER-01 / MBU / 2011 for SOE companies and the Law of the Republic of Indonesia Number 40 Year 2007 for limited liability companies.

The disclosure of corporate social responsibility (disclosure) as the implementation of good corporate governance is also important to be applied as an effort to increase the value of the company. The disclosure of corporate social responsibility which has been going public is regulated in the Law of the Republic of Indonesia Number 40 Year 2007 regarding Limited Liability Company, Article 66 clause 2. The Financial Services Authority (OJK) has also issued rules requiring public companies to disclose CSR activities in the annualreport. The regulation emphasized on the company received a positive response from managers, so that the number of companies performing social responsibility disclosure in its annual report is increasing and the number and type of disclosure in social responsibility activities is increasing (Sayekti and Wondabio 2007, McWilliams 2000).

Ownership of go public companies today can be owned by various parties namely managerial, institutions and public. In general, the ownership structure of the company's shares owned by the manager is still less than by the ownership of the other party. Managers as operational operators of the company are agents or representatives of the owners of the company, but there will be a conflict of interest when the manager controls the company regardless of the interests of the company owner. The extent of the company's share ownership makes shareholders difficult to exercise control (Rustendi and Jimmi, 2008). The company's financial performance as one measure of the existence and survival of the company. The ability of companies in improving financial performance becomes a reference for investors to determine the investment by buying shares of the company. Improving the financial performance of the company becomes a necessity to keep the company's stocks attractive to investors. When investors assess the company's financial performance well then the value of the company can also be improved.

Good corporate governance in addition to having a direct effect to corporate value, also has a role to improve the company's financial performance (Wati, 2013). Corporate social responsibility disclosure has a relationship with financial performance through public confidence in operational performance and product quality produced by the company so as to increase sales (Rosiliana et al 2014). Managerial ownership of a company's stock has an important role in decision-making over the company's financial management, so managerial ownership has a relationship with the company's financial performance (Wiranata and Nugrahanti, 2013).

Good corporate governance, corporate social responsibility disclosure, and managerial ownership have a relationship with financial performance, in which the company's financial performance can ultimately maximize the corporate value. Based on the relationship between good corporate governance, corporate social responsibility disclosure, and managerial ownership with the company's financial performance, in this research, the company's financial performance is defined as an intervening variable

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that mediates the relationship between good corporate governance, corporate social responsibility disclosure, and managerial ownership with corporate value.

This research was conducted at a manufacturing company listed in Indonesia Stock Exchange. The reason for choosing a manufacturing company as an object of research because the manufacturing company has the largest number on the Indonesia Stock Exchange consisting of three sub-sectors namely basic and chemical industry, miscellaneous industry sector and consumer goods industry sector. Large amounts of manufacturing companies mean the company in this sector is a major contributor to Indonesia's economic growth. In addition, manufacturing companies have major processing activities that mostly produce factory wastes hence closely related companies are obliged to disclose social responsibility in their annual financial statements.

This study is expected to contribute to the development of theory, mainly related to the development of financial accounting and capital market in an effort to disclose accounting reports and annual reports as a source of information for investors. The results of this study are also expected to provide inputs in making investment decisions on companies that go public on the Indonesia Stock Exchange, related information on aspects other than monetary aspects that can be considered in investment decision making such as corporate governance, corporate social responsibility disclosure, and managerial ownership. The results of this study are also expected to provide information about the corporate value that can be used to predict the sustainability of the company in the future.

The theory that explains the relationship between the company owner or shareholders with management in accounting is known as agency theory. The definition of agency theory according to Jensen and Meckling (1976) is an agency relationship is a contract between principals (shareholders) with agents (managers) appointed to represent principals that involve delegation of authority in decision-making. To further the agency relationship defined by Jensen and Meckling is called the agency theory.

The agency theory is based on the contract between the principal and the agent. According to agency theory, the nature of the relationship between the principal and the agent is difficult to create because of the interests of each conflicting party (conflict of interest). Company shareholders expect an increase in prosperity through the results of investments invested. The results of the investment can be demonstrated by the performance of the company as reflected in the company's profitability. On the other hand, the manager seeks to prosper himself through the acquisition of bonuses or other compensation regardless of the interests of shareholders (Samsi et al., 2014).

Differences of interests between shareholders and managers can cause problems in the delivery of information. This error in agency theory is known as information asymmetry. Information asymmetry can occur because managers do not provide transparent information to shareholders about the company's condition. Transparency is gained through the implementation of good corporate governance, where corporate governance becomes a guide for managers to manage companies with best practices in decision making that benefit all parties (Nuswandari, 2009).

The issue of agency cost and conflict of interest can be avoided by the ownership of shares of management or managerial ownership. Increased managerial ownership is expected to spread risk (Wardani and Hermuningsih, 2011). Ownership of the management of the company's shares will balance the interests of the manager because the manager also acts as a shareholder, so the manager will also pay attention to the interests of the welfare of shareholders.

Signaling theory describes behavior differently between two parties (individuals or organizations) when having access to information. One party (the sender) must choose what and how to communicate (or gesture) information, while the other party (the recipient) must choose how to interpret the signal (Connelly, 2011). Signal theory has an important role in determining management actions in terms of information delivery and information interpretation for the intended party, then will provide feedback to the sender of information.

Signal theory suggests the existence of information asymmetry between the management and an interested external party (Krisna, 2013). The signal theory reviews the company's drive to disclose information to external parties to avoid any information asymmetry between management and external parties (Rosiana, 2013). Managers must disclose information within the company, whether in the form of financial information or non-financial information.

Signal theory suggests that a good quality company will deliberately signal to the market so that markets can differentiate good and bad quality companies (Adnantara, 2014). A good signal is a signal that can be captured by the market and perceived as good information and not easily imitated by companies with below quality. High value companies will signal through their financial policies by engaging in high-cost activities, which can not be duplicated by companies with lower corporate value. Signals from the company can be promotions or other information indicating that the company is better than other

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companies (Adnantara, 2014). One of the information that can be used as corporate signal to market is information of CSR activity of company.

Corporate value is defined as the market value of the stock of the company reflected in the stock price (Apriada and Suardikha, 2016). The higher the stock price the better the company's value. The value of the company becomes an important thing for the company, because increasing the value of the company means increasing prosperity for shareholders. The value of the firm can be measured by the stock market price, because the stock price can reflect the investor's valuation of the overall wealth owned by the company in the presence of supply and demand of the market.

Corporate value aims to maximize shareholder wealth as a result of investment decisions. The wealth of shareholders and the company is represented by the market price of the stock which is a reflection of investment decisions, financing, and asset management. The higher the stock price, the higher the value owned by the company (Susanti and Pangestuti, 2010).

Company performance is a term to show the operational success of a company (Ratih and Setyarini, 2014). Fahmi (2011) defines financial performance as an analysis conducted to see how far the company has implemented the rules of implementation of financial management properly and correctly. Implementation of financial management in accordance with the standards and provisions of IFRSs (financial accounting standards), GAAP (general accepted accounting principle), or others. Based on these two concepts can be concluded that the financial performance of the company is an analysis conducted to determine the success of the company's operations and the company's ability to implement the rules in the applicable financial standards.

Financial performance is a description of the condition of a company as a result of management decision-making process related to capital utilization, efficiency and profitability of the activities of the company are analyzed by using the tools of financial analysis to know well the bad financial condition of a company that can be used to describe the performance a company within a certain period (Mustafa, 2015). The financial performance of the company is a good indicator of the goodness or badness of a business in order to fulfill the responsibility of management to the principal to achieve the company's goals in the form of achievement.

The Turnbull report defines corporate governance as an internal control system that has the primary goal of managing significant risks to achieve business objectives through securing corporate assets and increasing shareholder value in the long run (Effendi, 2016). According to Effendi (2016), corporate governance is a system designed to guide professional management of companies based on the principles of transparency, accountability, responsibility, independence, fairness and equity. Based on some previous understanding, briefly corporate governance or corporate governance is a company's internal control system in the form of rules to manage the company professionally based on the principle of transparency, accountability, responsibility, independent, fairness, and equality to create added value for shareholders .

Good Corporate Governance (GCG) as a supporter of increasing corporate value is closely related to agency theory. In agency theory, managers act as agents of shareholders and act consciously in accordance with their wishes in running the company with the delegation of decision-making authority granted by shareholders (Dewi, 2009).

Corporate Social Responsibility (CSR) is defined as an action that arises as a continuation of social action, outside the company's interests and required by law (McWilliams and Siegel 2001). The World Business Council for Sustainable Development (WBCSD) also describes CSR as a business commitment to contribute to sustainable economic development, working with employees, their families, local communities and the wider community to improve the quality of life together. Mardikanto (2014) argues that social responsibility implies public attitudes toward resources for the economy and humans that are not limited to private and corporate interests, but to broader social objectives.

Based on the definition of CSR above, it can be concluded that social responsibility is a social action outside the interests of the company as a business commitment to contribute to sustainable economic development and the utilization of economic and human resources for wider social purposes. CSR aims to improve the quality of life of the company along with other stakeholders to support the company's activities.

Disclosure of CSR activities undertaken by a company can be a tool to enhance a company's reputation and reduce the risk of political interests and possible legal action (Andayani and Atmini, 2012). Company motives in CSR disclosure vary greatly, such as to meet established regulations, to fulfill competitive advantage, to fulfill loan contracts, to legitimize corporate actions, to attract investors, and to reduce agency expenses (Andayani and Atmini, 2012; Sayekti And Wondabio, 2007).

Managerial ownership is part of the company's ownership structure. The ownership structure is a separation of company stock ownership and control (Barako et al., 2006). This separation of ownership

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also aims at controlling the operations of the company in which both have their respective interests so that the ownership of either the management or other investors can influence the decisions made in relation to financial decisions including investment decisions, funding decisions and dividend policies (Apriada and Suardikha, 2016).

The definition of managerial ownership according to Christiawan and Tarigan (2007) is a situation where the manager has a share of the company or manager as well as the shareholder of the company indicated by the large percentage of company's share ownership by the manager. Rustendi and Jimmi (2008) define managerial ownership as the percentage of company shares owned by management (managers and directors). It can be concluded that managerial ownership is the ownership of shares by the management (managers and directors) so that management acts as a shareholder of the company indicated by the percentage of share ownership of the company compared to the number of shares outstanding.

Development of Hypotheses Good Corporate Governance and Financial Performance

The organizational structure of the company that plays a role in every decision making becomes a representative of the shareholders to manage the company's assets and finances. In accordance with the agency theory, the principal entrusts the management of the company to the manager to manage the company well in order to provide the shareholder's expected profit, therefore the implementation of corporate governance implemented in the company will affect the company's business decisions as well as financial decisions. Good corporate governance with good management leadership can drive company performance higher. Fahmi (2011) argues that the leadership in the company has a big role in supporting and building the realization of the value of competence in employees. When the quality of work of employees increases, it can impact on the quality of the resulting product. Business partners and consumers will love the product that will ultimately increase the company's profitability. Means the company's financial performance can be achieved as expected.

H1: Good corporate governance positively affects to the company's financial performance.

Disclosure of Corporate Social Responsibility and Financial Performance

Disclosure of corporate social responsibility can provide benefits to build a company's reputation that is seen as social marketing (Suciwati et al., 2017). Through the disclosure of social responsibility, the company will form a positive image as a company that is committed to the environment in addition to good product quality. The immediate impact that the company can feel is that product sales will increase as the reputation of the company increases and the company's profits can increase.

Disclosure of corporate CSR activities reported in the company's annual report is used by the company as a signal to the market to show that the company is better than other companies (Adnantara, 2014). Disclosure of CSR activities is expected to be responded by the market by providing feedback on increased sales of products, which will impact on the financial performance of the company.

H2: Corporate social responsibility disclosure positively affects to the company's financial performance.

Managerial Ownership and Financial Performance

The agency theory states that the ownership of the management of the company's shares will balance the manager's interests because the manager also acts as a shareholder, so managers will also pay attention to the interests of shareholders. Managerial ownership can unite the interests of principals and agents so that managers as agents will act as expected by shareholders who can then improve the company's financial performance. Manjerial share ownership can encourage managers to be more cautious in decision making as they share the benefits of decision making and share the loss as a consequence of wrong decision making (Wiranata and Nugrahanti 2013).

H3: Managerial ownership positively affects to the company's financial performance.

Good Corporate Governance and Corporate Value

Information on corporate governance can be found in the form of annual reports. The information media is used by companies to increase investor confidence in the ability of management to manage the company well that can be described by the increasing value of the company through rising stock prices. According to agency theory, the relationship between principals and agents is difficult to create because of the different interests of each party. The importance of self-interested management is not in line with the

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company's main objectives which will increase costs and lower the company's profits so that it will cause the stock price to decline and affect the firm's value (Samsi et al., 2014).

H4: Good corporate governance positively affects corporate value.

Disclosure of Corporate Social Responsibility and Value

Corporate CSR activities can enhance corporate image, strengthen corporate brand, enhance morale and enhance company value (Porter and Kramer, 2007). Signal theory views CSR as a signal for high value companies to external parties (Rosiana, 2013). Positive responses and public confidence in the company with CSR actions undertaken can increase shareholder confidence and as a result the value of the firm will increase.

H5: Corporate social responsibility disclosure positively affects to the corporate value.

Managerial Ownership and Corporate Value

The problem of information asymmetry that often arises in agency problems can be avoided by managerial ownership. According to agency theory, managerial ownership can balance the interests of managers with shareholders. Differences in corporate governance systems result in the value of different ownership relationships (De Miquel et al., 2001). The Company can perform the duties as a delegate of shareholders by managing the company in accordance with the interests of shareholders. So the problem in the agency does not occur with the ownership portion by the manager. Conflicts of interest can be minimized which then the value of the company can increase.

H6: Managerial ownership positively affects to the corporate value.

Company's Financial Performance and Corporate Value

The company's financial performance is the company's ability to earn profits and operational implementation of the company can encourage the increase or decrease in the value of the company. The optimization of company value can be achieved through the implementation of financial management, whereby a financial decision can affect other financial decisions that will then impact on the value of the company (Hermawan and Maf'ulah 2014).

H7: The company's financial performance has a positive effects to the corportae value.
Based on the development of hypothesis above, the conceptual framework in this study is as follows:

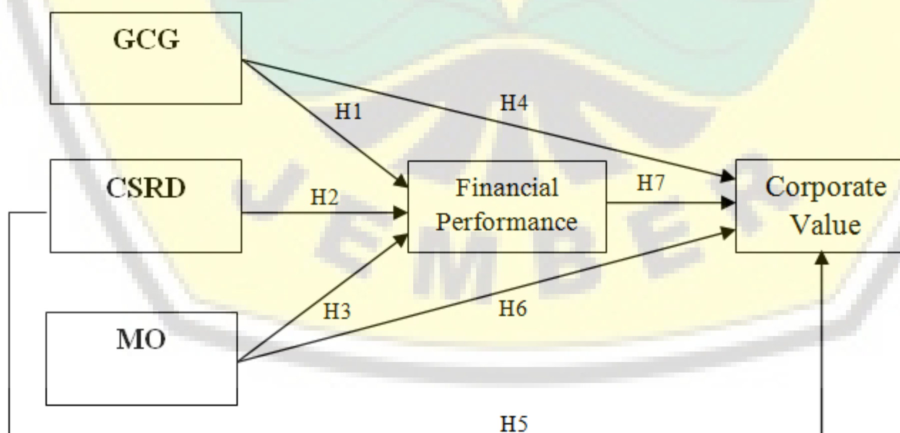

Figure 2.1: Conceptual Framework

Information:

GCG : Good Corporate Governance

CSRD : Corporate Social Responsibility Disclosure

MO : Managerial Ownership

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Method

This research uses quantitative approach. The test model used is path analysis. The population in this study are all manufacturing companies listed on the BEI in 2011 - 2015, with members of the population are 146 companies. The sampling technique used purposive sampling technique, then obtained 61 companies that meet the criteria, so the total sample is 310 observations (firm - years). Operational definition of each variable as follows:

1. The value of the company
   Company value is measured by price book value (PBV). PBV is determined in the following formula (Wahyudi, 2006):
   PBV = (Market price per share$_i$) / (Book value per share$_i$)
   Information:
   PBV : price book value
   Market price per share$_i$: Market price per share as of 31 December Year$_i$
   Book value per share$_i$: The book value per share per 31 December Year$_i$
2. Corporate Financial Performance
   Company's financial performance is measured by using profitability ratios in the form of asset return or ROA (return on asset). The formula of calculation ratio of ROA as follows (Fahmi, 2011):
   ROA = (Net Profit after Tax) / (Total Assets)
3. Good Corporate Governance
   Measurement of good corporate governance variables using Corporate Governance Perception Index (CGPI). There are 38 items stated in CGPI to assess corporate governance disclosed in the annual report. Each sub-index score is rated by 1 if it meets and 0 if it does not meet. The calculation in determining the total GCG score obtained by the company using the following formula (www.iicg.org):

   $$CGI = \frac{A+B+C+D+E}{Total\ Item} X100\%$$

   Information:
   CGI = Corporate governance index
   A = Shareholder rights
   B = Board of directors
   C = Board of commissioners
   D = Audit Committee and internal auditor
   E = Disclosure to investors
4. Corporate Social Responsibility Disclosure
   Corporate social responsibility disclosure is measured using GRI G3 index (Generation 3). The approach to calculating the GRI index is a checklist using a dichotomous approach, ie each CSR item in the research instrument if disclosed is assigned a value of 1, and if not disclosed it is given a value of 0. The formula for the calculation of the score index for each dimension is as follows (Tarigan, 2015):
   Index = n / k
   Information:
   Index = index score of each dimension
   n = number of items expressed by each dimension
   k = number of expected items of each dimension
5. Managerial ownership
   Managerial Ownership is the proportion of company's share ownership by management calculated by the following formula (Agustine, 2014):
   Managerial Ownership = (Ownership of management shares) / (Shares outstanding)

Result and Discussion

Path Analysis

Hypothesis testing using path analysis. Hypothesis testing with path analysis will produce equations in each model. Test result of path analysis are shown in the following table:

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Table 1. Test Results of Path Analysis Model 1 and Model 2

Model	*Unstandardized Coefficients Beta*	T	Sig.
Model 1			
(Constant)	-138,804	-5,231	0,000
GCG	0,500	6,127	0,000
CSRD	0,227	2,697	0,009
Managerial Ownership	-0,152	-1,579	0,120
Model 2			
(Constant)	-119,490	-2,192	0,008
GCG	0,230	4,189	0,042
CSRD	0,078	1,718	0,091
Managerial Ownership	0,060	1,206	0,233
Financial Performance	0,562	8,378	0,000

Source: appendix 1

Based on table 4.1 above can be formed the following structural equations:
Financial Performance = -138,804 + 0.500 GCG + 0.227 CSRD - 0.152 Managerial Ownership + e1 (Model 1)
Company Value = -119,490 + 0,230 GCG + 0.078 CSRD + 0.060 Managerial Ownership + 0,562 Financial Performance + e2
(Model 2)

Based on the results of research on BPRS Bumi Rinjani found no report of governance in writing. From the interviews, BPRS Bumi Rinjani is motivated to implement good governance and create a GCG report in writing. This is a policy taken by management to improve performance in achieving the goals that have been set. In addition, this motivation is also supported by the desire of BPRS Bumi Rinjani to implement compliance with OJK rules that have been issued namely the Financial Services Authority RegulationNumber 30/POJK.05/2014.

Based on the research results found cheating or dishonesty ever done by employees. This needs special attention from the management of BPRS Bumi Rinjani. Honesty is a faith that must always be implemented in every activity we always get a blessing. Likewise with BPRS Bumi Rinjani, with honesty in all parts in carrying out tasks and activities, then the operation of BPRS will get a blessing. Besides, on the world side will gain the trust of stakeholders, both internal and external.

This is in line with Prasetyo Whedy's (2015) research that the mutual trust of both parties will make each party a profit. Trust here is meant to be internal and external beliefs. Trust, especially from external parties, will be the main capital to inculcate a positive assessment, which will ultimately support the development of BPRS Bumi Rinjani in the future. Based on the above facts included elements of honesty (Integrity).

BPRS Bumi Rinjani has implemented awareness to the surrounding community in the form of donations or other contained in the report of sources of funds and the use of qord funds. For the disbursement of donation funds in 2014 and 2015, as shown in Table 1 as follows:

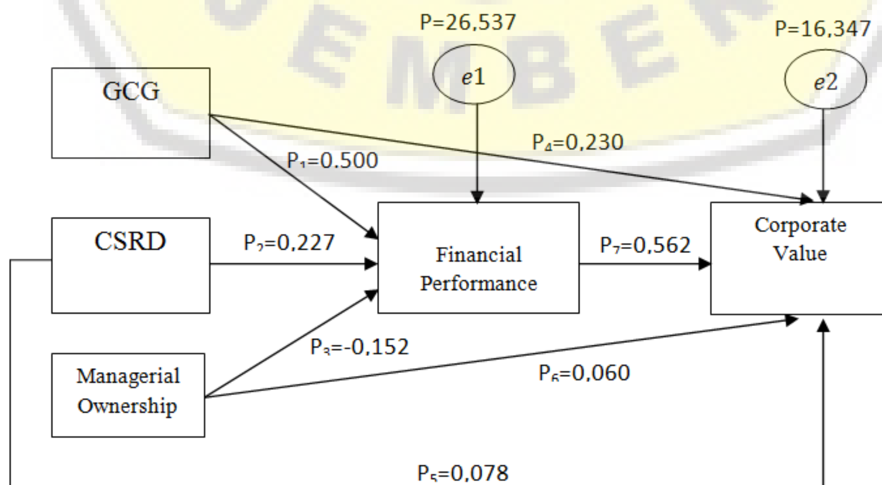

Figure 4.1: Path Analysis

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The amount of direct GCG influence on corporate value is 0,230, CSRD to corporate value is 0,078, managerial ownership to corporate value is 0,060, and financial performance to corporate value is 0,562. The indirect effect can be determined by calculating the multiplication of indirect coefficients. In summary, the results of path analysis on the effect of exogenous variables on endogenous variables are shown in the following table:

Table 2.2: Summary of Decomposition of Path Coefficients, Direct Effect, Indirect Effect, and Influence of Total Exogenous Variables on Endogenous Variables

Effect of Variable	Causal Effect		Total	Conclusion
	direct	Indirect (Through Y1)		
X1 to Y1	0,500	-	0,500	
X1 to Y2	0,230	0,281	0,511	There is effect of Mediation
X2 to Y1	0,227	-	0,227	
X2 to Y2	0,078	0,127574	0,206	There is effect of Mediation
X3 to Y1	-0,152	-	-0,152	
X3 to Y2	0,060	- 0,085424	-0,025	There is not effect of Mediation
Y1 to Y2	0,562	-	0,562	

Source: Appendix 1

Hypothesis Test Results

Hypothesis test with path analysis is aimed to test the contribution that shown by path coefficient on each path diagram of causal relationship between GCG, CSRD, managerial ownership to financial performance and GCG, CSRD, managerial ownership and financial performance to corporate value. Based on t test, the result of the analysis is as follows:

Table 1.3: Hypothesis Test Result (a = 5% or 0.05)

Model	Coefficient Beta	t	Sig.	Conclusion
Model 1				
(Constant)	-138,804	-5,231	0,000	
GCG	0,500	6,127	0,000	Significant
CSRD	0,227	2,697	0,009	Significant
Managerial Ownership	-0,152	-1,579	0,120	Not Significant
Model 2				
(Constant)	-119,490	-2,192	0,008	
GCG	0,230	4,189	0,042	Signifikan
CSRD	0,078	1,718	0,091	Not Significant
Managerial Ownership	0,060	1,206	0,233	Not Significant
Financial Performance	0,562	8,378	0,000	Significant

Source: Appendix 1

Based on the test results in Table 1.3 can be explained things as follows:

a. The first hypothesis (H1) states that GCG has a positive effect to financial performance. Table 4.3 shows a path coefficient value of 0.500 having a significance less than a = 5% (0,000 <0.05). A significance value less than 0.05 indicates a significant effect. It can be interpreted that there is a significant effect between GCG to financial performance.
b. The second hypothesis (H2) states that CSRD has a positive effect to financial performance. Table 4.3 shows the path coefficient value of 0.227 has a significance less than a = 5% (0.009 <0.05). A significance value less than 0.05 indicates a significant effect. It can be interpreted that there is a significant effect between CSRD to financial performance.
c. The third hypothesis (H3) states that managerial ownership has a positive effect to financial performance. Table 4.3 shows the path coefficient value of -0.152 has a significance greater than a = 5% (0.120> 0.05). A significance value greater than 0.05 indicates no significant effect. It can be interpreted that there is no significant effect between managerial ownership to financial performance.
d. The fourth hypothesis (H4) states that GCG has a positive effect to corporate value. Table 4.3 shows the path coefficient value of 0.230 has a significance less than a = 5% (0.042 <0.05). A significance value less than 0.05 indicates a significant effect. It can be interpreted that there is a significant effect between GCG to corporate value.

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e. The fifth hypothesis (H5) states that CSRD has a positive effect to corporate value. Table 4.3 shows the value of path coefficient of 0.078 has a significance greater than a = 5% (0.091> 0.05). A significance value greater than 0.05 indicates no significant effect. Can be interpreted that there is no significant effect between CSRD to corporate value.
f. The sixth hypothesis (H6) states that managerial ownership positively affects to corporate value. Table 4.3 shows the value of path coefficient of 0.060 has a significance greater than a = 5% (0.233> 0.05). A significance value greater than 0.05 indicates no significant effect. It can be interpreted that there is no significant effect between managerial ownership to corporate value.
g. The seventh hypothesis (H7) states that financial performance has a positive effect to corporate value. Table 4.3 shows the path coefficient value of 0.562 having a significance less than a = 5% (0.000 <0.05). A significance value less than 0.05 indicates a significant effect. Can be interpreted that there is significant effect between financial performance to corporate value.

Discussion

The Effect of GCG to Financial Performance

The results showed that GCG has a positive influence on the company's financial performance proxies with return on assets (ROA). That is, when the implementation of GCG within the company is good then the company's earnings can be improved. The results of this study are in line with the agency theory which shows that managers as agents of the principal can run the company's operations properly, so as to increase profits for principals or shareholders.

The Effect of Corporate Social Responsibility Disclosure to Financial Performance

The results showed that corporate social responsibility disclosure (CSRD) has a positive influence on the company's financial performance proxies with return on assets (ROA). That is, when the company discloses its CSR activities it will have a positive impact on the increase in profits. The results of this study are in line with the signal theory which shows that the disclosure of CSR activities get a positive response from stakeholders who view the company as a company that cares about the environment. The company runs its business activities not just for profit, but also to provide benefits for the environment around the place of operation. Signals given by the company through CSR disclosure impact on increased sales of the company, so the financial performance of companies can also be improved.

The Effect of Managerial Ownership to Financial Performance

The results showed that Managerial Ownership has no effect on the company's financial performance proxies by return on assets (ROA). That is, the large amount of managerial ownership of the company's shares can not affect the increase or decrease of the company's financial performance. Conflicts of interest between shareholders and management in finance cannot be solved well through ownership of shares by the management. The results of this study are not in line with agency theory. Managerial ownership of the company's stock is expected to reduce the conflict of interest between the principal and the agent, but the results of this study indicate the percentage of managerial ownership does not give effect to changes in financial performance. The manager as well as the shareholder cannot make decisions according to what he wants in order to increase profits.

The Effect of GCG to Corporate Value

The results showed that GCG has a positive influence on firm value proxies with price book value (PBV). That is, when companies can implement good corporate governance then the value of companies in the face of investors will increase. The results of this study support the agency theory that shows good corporate governance can be a means to increase shareholder confidence in management in the ability to manage the business. Shareholders obtain appropriate information as expected through the implementation of corporate governance. Shareholders can also benefit from GCG enforcement within the company as indicated by the company's increased value.

The Effect of Corporate Social Responsibility Disclosure to Company Value

The results showed that corporate social responsibility disclosure (CSRD) did not affect the company value proxies by price book value (PBV). That is, when the company discloses the activities of social responsibility with the aim of giving a signal to the market has not been able to responded by the market well, so as not to have an impact on the increase in corporate value. The results of this study are not in line with the signal theory which shows that CSR corporate disclosure activities can be one tool to

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convey corporate signals to stakeholders that the company is a better company than other companies. Signal companies have not been able to respond well, so the company does not get reciprocity as expected.

The Effect of Managerial Ownership to Corporate Value

The results show that managerial ownership has no effect on firm value proxies by price book value (PBV). That is, when there is management involvement in the list of shareholders of the company does not have an impact on changes in corporate value. The results of this study are not in accordance with agency theory which shows that managerial ownership can overcome conflicts of interest so that the value of the company can be improved. The average percentage of share ownership of managers at IDX listed companies in 2011 - 2015 is very small, so it does not give effect to decision making in general meeting of shareholders or to company ability to increase stock price.

The Effect of Financial Performance to Corporate Value

The results showed that the financial performance proxyes by ROA has a positive influence on the value of the company proxies with price book value (PBV). That is, when the profits obtained by the company increases, then the value of the company will also increase. The result of this research is in line with agency theory which shows that management ability in managing assets to generate maximum profit can give shareholder trust to good company management quality. Shareholders can know the dividend rate to be earned through the company's earnings. The higher the company's financial performance, the higher the value of the company.

Indirect Influence

The results of indirect effect testing can be seen in table 4.3 which shows that the financial performance of companies proxies with ROA has the influence of mediation between good corporate governance of corporate value. This means that good corporate governance in the company can improve the effectiveness of managing company assets to generate higher profits, which can lead to better financial performance. Financial performance becomes an important part in consideration of investment decisions by investors and potential investors. A good corporate financial performance can increase investor confidence in the company's operating capability, thereby increasing the value of the company. Can be interpreted that good corporate governance effect to company value with company financial performance as intervening variable.

The company's financial performance has a mediating influence between the corporate social responsibility disclosure to corporate value. That is, when the corporate social responsibility disclosure can improve the image of the company impact on increasing the number of product sales, so as to improve the financial performance of companies proxied with ROA. The high financial performance that influenced by the disclosure of CSR's is able to encourage the improvement of corporate value. Can be interpreted that the corporate social responsibility disclosure affect the corporate value with the financial performance of the company as an intervening variable.

The company's financial performance has no effect of mediation between managerial ownership of firm value. That is, the percentage of ownership of shares by the managerial does not give effect to the value of the company despite an increase or decrease in the financial performance of the company. It can be interpreted that the company's financial performance is not an intervening variable between the effect of managerial ownership on firm value.

Conclusions

Based on the results of data analysis and discussion can be concluded as follows:

1. Good corporate governance (GCG) has a significant positive effect to the financial performance of the company. When the implementation of GCG in the company is good then the company's profit can be improved. This proves that H1 is accepted.
2. Corporate social responsibility disclosure (CSRD) has a significant positive effect to the financial performance of the company. When the company discloses its CSR activities it will have a positive impact on the increase profits. This proves that H2 is accepted.
3. Managerial ownership does not affect the financial performance of the company. The large amount of managerial ownership of the company's shares can not affect the increase or decrease of the company's financial performance. This proves that H3 is rejected.
4. Good corporate governance (GCG) has a significant positive effect to corporate value. When companies can implement good corporate governance then the value of companies in the face of investors will increase. This proves that H4 is accepted.

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5. Corporate social responsibility disclosure (CSRD) does not affect the corporate value. When a company discloses its social responsibility activities with a view to signaling to the market it has not been able to respond well to the market, so as not to have an impact on the increase in corporate value. This proves that H5 is rejected.
6. Managerial ownership does not affect the corporate value. When management's involvement in the company's shareholder list does not have an impact on the change in corporate value. This proves that H6 is rejected.
7. Financial performance has a significant positive effect to corporate value. When the profit obtained by the company increases, then the value of the company will also increase. This proves that H7 is accepted.

Imitations of Research

Based on the results and discussion of the research, this study has several limitations described as follows:

1. Exogenous variables used only three variables, namely good corporate governance, corporate social responsibility disclosure, and managerial ownership. Researchers only take non-financial variables to analyze the factors that affect the corporate value.
2. Variable financial performance is only proxies by profitability ratio of ROA. ROA can only explain the financial performance in terms of the ability of companies to gain profits, while financial performance can still be seen from several other ratios.
3. The basis of GCG disclosure used by companies vary so that it affects the GCG scores obtained in this study.

Suggestions

Based on the results of hypothesis testing, analysis and limitations of research, some suggestions that can be given are as follows:

1. Further research can consider other variables that may affect the value of the company, such as dividend policy, debt decision, and others. Managerial ownership variable proved to have no effect to corporate value.
2. Further research can add ratio of other company's financial performance measurement like liquidity ratio, leverage ratio, activity ratio, growth ratio, or market value ratio.
3. Subsequent research can use a good proximate index of corporate governance measurements that can be represented to measure all types of publicly listed companies.
4. For the company, the corporate governance should be implemented and disclosed in its annual report more adapted to the applicable standards, because investors pay attention to good corporate governance as one of the considerations in investing. Similarly, disclosure of corporate social responsibility should follow the standards used in Indonesia in general.
5. For investors, the results of this study can be a consideration in determining the choice of companies to be a good place to invest. Companies that have good corporate governance, disclose social responsibility, as well as good financial performance are able to provide high corporate value, so that will provide benefits to investors.

For the governing body of standards and the Financial Services Authority (OJK), the results of this study are expected to be a reference in establishing good corporate governance reporting standards in accordance with the standards contained in CGPI. Similarly, corporate social responsibility disclosure standards may refer to the standards listed in GRI Generation 3 or GRI latest generation.

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