Influence Disclosure Of Sustainability Report And Company Size On Dividend Policy And Company Value With Profitability As Intervening Variables

Supriyadi, Agung Budi Sulistiyo, Ahmad Roziq

Abstract: The aim of research this is for knowing influence disclosure Sustainability Reporting and size company to Policy dividend and firm value with profitability as an intervening variable. The population from research company sector banking registered on the IDX. Research this use method purposive sampling and obtained sample as many as 50 companies. Research data are taken from secondary data that report finance company. Data analysis techniques used are the analysis path (path analysis). Analysis results knew that SR does not take to effect to profitability, firm size takes to effect positive on profitability. For profitability takes to effect positive and significant on policy dividends and firm value. So, Policy dividend influence firm value. However, SR did not takes to effect on Policy dividend and size company takes effect significant to firm value.

Keywords: Sustainability Reporting; Company Size; Profitability; Policy Dividend; and Firm Value.

INTRODUCTION

Corporate Social Responsibility (CSR) is a concept that gives pictures of bear it answers company to the environment, shareholders, or other stakeholders. CSR can also use or applied in the agenda of research, theory and ideas for practice operational company. Discussion regarding CSR, of course not regardless of a discussion about SR. SR's own is a reporting done by the company for revealed accountability company in a manner full for stakeholder s heading the performance sustainable company. For meet reporting it's a standard body independent international namely GRI sets guidelines preparation report GRI sustainability of the so-called Standard. Regulations in Law No. 40 of 2007 concerning limited liability companies, regulations Government No. 47 of 2012 concerning bear it answer social and environmental Limited Liability Companies Act - Act No. 25 of 2007 on the ear investment. With existence rules that have been determined by the government, fine from the company go public or growing company expected disclosure corresponding with move in the field What company that is or often called with strategic CSR. Because the SR form is divided to be two, i.e. strategic and non- strategic. SR Disclosures related regulation government to be attending special from the company that owns activities related to business with source power nature and environment life. There is a positive relationship between a regulation government with SR disclosures by companies, which can be the right factor pusher SR disclosure by the company. With existence regulation, it is expected company contributes to pushing creation welfare social in a manner directly or not directly. Widati (2016);

_____

- *Supriyadi, Master of Accounting. Faculty Economics and Business, University of Jember, adi.supriyadi379@gmail.com*
- *Agung Budi Sulistiyo, Faculty Economics and Business, University of Jember, agungbudi.feb@unej.ac.id*
- *Ahmad Roziq, Faculty Economics and Business, University of Jember, ahmadroziq.feb@unej.ac.id*

Susanto and Tarigan (2013) test the relationship between sustainability report reporting from each performance to the performance finance company (profitability). Research results to show that only disclosure the performance social and disclosure the performance bear it answer products that affect profitability. Different from research conducted by Adhima and Hariadi (2016) forget evidence empirical about effect disclosure SR, the results of the study to show that disclosure SR has influence negative significant towards Return on Assets (ROA). A provision that can to be counterproductive an effort creates an understanding of the concept of CSR and sustainability (sustainability concepts) business world. The reality that is made for each company to make report CSR in a format that is not the same (Marwati & Yulianti, 2015). GRI is a guideline reporting sustainability the widest use with the aim for giving away report sustainability to the stockholders. GRI released in 2000 which the aims give authority a company for measure and express condition economic, environmental, social and governance they are. In an effort for improving quality SR, The International Integrated Reporting Council (IIRC) was released in 2013 published guidelines that set the standard for a company about How they could report in a manner effective something information financial and nonfinancial company. Pratama and Wiksuana (2016); Prasanjaya and Ramantha (2013); Raheman and Nasr (2007); Rikalmi and Wibowo (2016) prove in a manner empirical that size company and capital work to influence profitability. A company with a size big could absorb capital resources are greater, so could say it company with large size will get high profits. Wahyuni (2015); Devi and Suardika (2014) explain the influence from profitability to Policy dividend, the yield from research if level profitability company high, then profit generated company will more and more big shared in form dividend to holder stock. However different from Permana and Hidayati (2016) growth company take effect negative to Policy Dividend. Mahpudin and Suparno (2016); Marwa and Isynuwardana (2017); Chakraboty (2014) researching about profitability to company value so that produce concluded that policy dividends and profitability stated significant take effect to value company. On the side other, policies dividend impact positive and significant to company value. Division dividend increased means management have a belief that earnings in the future will experience increase.

Ansori and Denica (2010); Mahpudin and Suparno (2016); Noerirawan and Muid (2012); Dehghani and Loo (2011) that produce concluded that Policy dividend stated significant take effect to value company. Companies that grow with fast obtain results positive in that means stabilization position on the competition map, enjoy sales increase in a manner significant and accompanied by presence enhancement market share. Based on background back research the author explains, then problems that will be formulated is as the following: (1) Do SR influences to Profitability?; (2) Do company size take effect ton profitability?; (3) Do Profitability take effect to Policy dividend?; (4) Do Profitability take effect to firm value?; (5) Do Policy dividend take effect to value company?; (6) Does SR affect to Policy dividend?; (7) Do company size take effect to firm company?

LITERATURE REVIEW

Stakeholders Theory
The theory this explains that a company should accountable to the parties who have an interest in the company. Companies must foster good relations with these stakeholders. Donaldson and Preston (1995) support this theory argue that stakeholder theory would expand the corporate responsibility to all stakeholders (stakeholders), not only to the shareholders of the company (shareholders).

Legitimacy Theory
According to Deegan (2002), legitimacy is an acknowledgment of whether or not something is legal. Legitimacy theory explains that companies are required to make efforts to ensure that the company has carried out its operational activities based on norms or rules contained in the community. This is done so that the status of the company and all activities operational company could say it valid and accepted by the parties outside company. Legitimacy aiming for equalizing assumptions and perceptions that all the activities carried out the company is something thing that are desirable, appropriate and appropriate with the norm that is general apply within life social (Suchman, 1995).
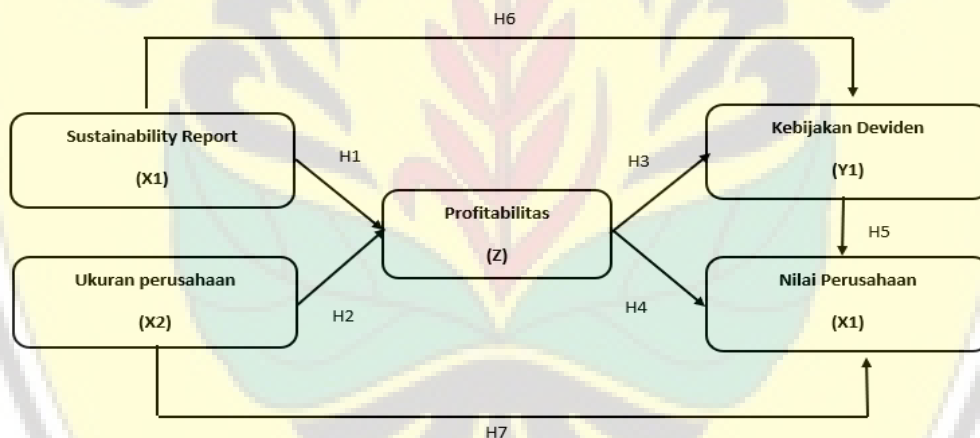

Figure 1.1. Research Conceptual Framework

Research Hypothesis
H1 : Influence SR to Profitability
H2 : Influence size company to Profitability
H3 : Influence profitability to Policy dividend
H4 : Influence profitability to firm value
H5 : Influence Policy dividend to firm value
H6 : Influence SR against Policy dividend
H7 : Influence size company to firm value

RESEARCH METHODS
In research this population research this is all over company banking listed on the Indonesia Stock Exchange. Election sample do with use method purposive sampling with criteria as the **following:** (1) the banking company listed on the Stock Exchange Year 2013 to 2017; (2) A banking company that issues report annual (annual report) years 2013-2017; (3) Banking companies that do SR disclosures in 2013-2017; (4) Banking companies that can meet the data needed by researchers . Research this using

secondary data from annual report and sustainability report published by the company that banking that listed on the Indonesia Stock Exchange. Techniques for collecting data through data collection originating from report finance and sustainability report for period 2013-2017 obtained on the official website of Indonesia Stock Exchange www.idx.co.id and official website each company. Data analysis techniques used are analysis path (path analysis) with SPSS 22.

Variable Research and Definition Operations Variable

a.   Independent Variable
Variable Independent is a type of variable that can influence or be the cause of other variables. Independent variables in this study are: 1) SR relating to the disclosure of social and environmental information, in addition to the profit side, so that the trust of stakeholders will increase, and it will have an impact on the continuity of the company's business that is getting better. SR measured using the SR indicator from

717

GRI adjusted to banking operations. SRDI calculation is done by giving a score of 1 if one item is disclosed, and 0 if not disclosed. After scoring all items, the score is summed to obtain the overall score for each company.

Formula for SRDI calculations are:

$$SRDI = \frac{n}{k}$$

Where:

SRDI = Sustainability Report Disclosure Index of the company

N = number of items disclosed by the company

K = number of items expected

2) Size Companies related to level profitability, where depiction or lock measuring a company that describes the big small companies. For knowing company size could counted with use natural logarithm (Ln) of total assets. Ln can be measured use formula: $Size = (Ln)\ of\ Total\ Asset$ and see from report yearly on all company banking from years 2013-2017.

b.   Dependent Variable

1.   Firm Value
In this study the value of the company is the dependent variable and measured using Tobin's Q. Tobin's Q in this study is calculated with t + 1, which is for calculating disclosure and profitability in year t, then Tobin's Q is calculated in year t + 1. This is because Sustainability Report disclosures and profitability are considered to affect the value of the company in the following year. The following Tobin's Q ratio is used by Ramadhani (2015) in his research and is calculated by the following formula:

$$Tobins\ Q: \frac{Market\ value\ equity + Book\ value\ of\ total\ debt}{Total\ Asset}$$

Election proxy this based on the consideration that is ratio this has been popularly used in research formerly and constitutes the right proxy in measure value company (Sudiyatno and Puspitasari, 2010).

2.   Policy Dividend
The profits that will be obtained by the shareholders will determine the welfare of the shareholders which is the company's main goal. The greater the dividend distributed to shareholders, the better the performance of the issuer or company and ultimately the company that has good managerial performance is considered profitable and of courses the assessment of the company will be better as well, which is usually reflected through the company's stock price level (Utomo, 2016). In this study, dividend policy will be determined using Dummy, with a nominal scale of 1

(one) for companies that pay dividends and 0 (zero) for companies that do not pay dividends.

c.   Intervening variable
Profitability or profit is a factor that affects the value of the company. Profitability is income minus expenses and losses during the reporting period (Mahpudin & Suparno, 2016). Analysis of profitability is very important for creditors and equity investors. For creditors, profit is a source of interest and principal payments. ROA is also called ROI (Return on Investment). ROA is a comparison of net income after tax (minus ordinary share dividends) with assets or equity that have been invested by shareholders in the company.

The formula that can used are:

$$ROA = \frac{Net\ income\ after\ tax}{Total\ asset} \times 100\%$$

RESULTS AND DISCUSSION
The hypothesis in this study will be tested using the path analysis model. The following are descriptive statistical data for the variables used in this study.

Table 1. Descriptive Statistics

	N	Min.	Max.	Mean	Std. Deviation	Variance
SUSTAINABILITY REPORT	50	.44	.57	.5052	.03460	.001
POLICY DIVIDEND	50	.00	1.00	.7000	.46291	.214
FIRM VALUE	50	.81	2.77	1.1084	.29810	.089
FIRM SIZE	50	4.96	13.93	12.0804	1.97515	3.901
PROFITABILITY	50	1.35	53.26	20.8642	11.71084	137.144
Valid N (listwise)	50					

Sumber: Output SPSS, 2019

SR variable based right data in Table 1 the amount of data (N) of 50, indicates an average value of 50% with a standard deviation of 34% while SR high by 57% and SR by 44%. Variable Policy dividend based on data in Table 1 with the amount of data (N) so much 50, shows an average value of 70 % with standard deviation the size of 46 % whereas the policy dividend high as big as 1 % and policy dividend by 0%. Variable company value based right data in Table 1 with data (N) as much as 50, shows an average value of 110 % with standard deviation as big as 29 % whereas value company high 2 % and value company amounting to 0, 81 %. Variable firm size based right data in Table 1 with the amount of data (N) as much 50, shows the average value of 12.08 % with standard deviation as big as 1.97 % whereas size company high as big as 13.9 % and size company Lowest as big as 4.96 %. Variable profitability based right data in Table 1 with the amount of data (N) of 50, shows average value of 20.8% with standard deviation amounting to 11.7% while profitability high amounting to 53.2% and profitability Lowest amounting to 1.35%. Test assumptions classic do before do hypothesis testing for test data feasibility. Test assumptions classics did included the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Normality Test

The normality test is used to determine whether the distribution of data in a variable has been normally distributed. In this study, the data normality test performed with SPSS for Windows version 22. The normality test was carried out using the Kolmogorov-Smirnov test. A data is declared to have normally distributed if it has a significance value> 0.05 so that from the normality test that has been done it can be stated that the data is not normally distributed. From the results of the normality test significance values obtained from each variable so that it can be said that the data has been normally distributed.

Multicollinearity Test

From the multicollinearity test that has been done, results to show that each independent variable has VIF value <1 or tolerance > 0.10. Could conclud that between variable independent not happen multicollinearity.

Heteroscedasticity Test

From the heteroscedasticity test that has been done, results to show that value significance correlation > 0.05, then could conclud that not happen problem heteroscedasticity.

Autocorelation Test

Autocorelation of the test that has been done, obtained the Durbin-Watson value of 1.145. In Rahmawati (2012), if the DW value is located between -2 to +2, you can conclude the regression model free from autocorelation. Then could concluded that data has been free from problem autocorelation.

Coefficient of Determination

Testing the coefficient of determination (R^2) aims to test the level of interrelation between variable dependent and independent variables that can be seen from the magnitude of the coefficient of determination (adjusted R-square). The coefficient of determination is between zero and one ($0 \leq R \geq 1$). The value of R^2 is small means the ability of independent variables to explain variations in the dependent variable very limited. A value close to one means that the independent variables give almost all information needed to predict variations in the dependent variable (Ghozali, 2016). The results of the test of determination can be seen in table 2 below:

Table 2. Results of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.387[a]	.204	.006	.29898

a. Predictors: (Constant), policy dividend, profitability

Based on results analysis that has been doing previous known the value coefficient determination is equal to 0. 387. This value means that percentage donation influence Policy dividend, sustainability report to value company is as big as 38 %, whereas the rest as big as 62 % is influenced by other variables that are not explained in research this.

Table 3. F value test results
Table 3. Hasil uji nilai F

ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	969.022	2	484.511	3.960	.026[a]
	Residual	5751.019	47	122.362		
	Total	6720.041	49			

a. Predictors: (Constant), UKURAN PERUSAHAAN, SUSTAINABILITY REPORT

b. Dependent Variable: PROFITABILITAS

b. Dependent Variable: PROFITABILITY

Based on Table 3. obtained value significance (0.026) <alpha (0.05) which means that there is an influence in a manner together from variable independent. As for variable independent in research, this is SR and size company to variable dependent that is profitability.

Individual Parameter Significance Test (Test of T Value)

Based on results testing with use tool analysis multiple linear regression obtained results as shown in Table 4.

Table 4. T value test results
Table 4. Hasil uji nilai t

Coefficientsa

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	Collinearity Statistics Tolerance	VIF
1 (Constant)	-43.927	23.226			
SUSTAINABILITY REPORT	9.509	48.430	-.283	.890	1.124
UKURAN PERUSAHAAN	11.053	20.848	.309	.900	1.324

a. Dependent Variable: PROFITABILITAS

ROA $= \alpha + \beta 1 SR + \beta 2 UP + \varepsilon$

$= 43,927 + 9,50 KI + 11.05 UP + \varepsilon$

Keterangan:
ROA
α: Konstanta
β1SR: Sustainability Report
β2UP: Ukuran Perusahaan

Table 5. Hasil uji nilai t
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
1 (Constant)	-2.901	.828			
SUSTAINABILITY REPORT	7.127	1.634	-.333	.971	1.340

a. Dependent Variable: KEBIJAKAN DEVIDEN

Table 6. Hasil uji nilai t
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
1 (Constant)	.874	.264			
UKURAN PERUSAHAAN	7.019	.022	.375	.790	1.090

a. Dependent Variable: NILAI PERUSAHAAN

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
1 (Constant)	.998	.096			
PROFITABILITAS	.003	.004	.100	.886	1.161
KEBIJAKAN DEVIDEN	.082	.099	.127	.876	1.141

a. Dependent Variable: NILAI PERUSAHAAN

Test results to hypotheses research are as the following:

Sustainability Report to profitability
SR variable has value coefficient regression amounting to 9.509 with significance amounting to .176> alpha (0.05) so that SR does not take effect significant to profitability. This hypothesis one rejected. More and more large SR disclosure by the company then could say it that the performance finance performance profitability will be influenced. Because SR doesn't only speak up about profit, but explains from a sustainability company that is. Research results this reject from research Natalia and Tarigan (2014); Simbolon and Sueb (2016); Prabowo (2015); Widati (2016); and Susanto and Tarigan (2013) which show that SR influences to profitability company.

Size company to profitability
Variable size company has value coefficient regression amounting to 11,053 with significance amounting to .041 <alpha (0.05) so that size company takes effect significant to profitability. With this hypothesis two received. Company size used for knowing existence the influence of rising and falling profitability. Profitability could improve if size of his company big, company with size big could absorb capital resources that great anyway. Research results this consistent with research by Jeong (2011); Pratama and Wiksuana (2016); and Raheman and Nasr (2007).

Profitability to Policy dividend
Variable profitability has value coefficient regression amounting to 3,014 with significance amounting to .012 <alpha (0.05) so that profitability takes effect significant to Policy dividend. With this hypothesis three received. Profitability is the ability company forget profit so that influence on decisions division dividends. If level profitability company high, then profit generated companies will more and more big shared in form dividends to holder stock. Party management will attempt to obtaining a big profit to improve ability pay dividends (Devi & Suardikha, 2014). Research results this consistent with Wahyuni (2015); Rismawati and Dana (2014).

Profitability to value company
Variable profitability has value coefficient regression as big as 0.003 with significance equal to .0 45 <alpha (0.05) so that profitability takes effect significant to company value. With thus hypothesis four received. Profitability this gives away picture how much effective company Return on Assets (ROA) is used because related with the calculation of leverage a company. The use of financial leverage in reality give away influence to profitability company, one of them showed bro magnitude return return will accepted by the owner company through Return on Assets (ROA) of the company. More and more high ROA then more and more big value company. Research results this consistent with Wijaya and Sedana (2015); Mahpudin and Suparno (2016); and Marwa and Isynuwardana (2017).

Policy dividend to value company
Variable profitability has value coefficient regression amounting to 0.003 with significance amounting to .045 <alpha (0.05) so that profitability takes effect significant to company value. With thus hypothesis five received. With existence, high dividends will improve value company, called with Bird in The Hand Theory. Opinion third stated that more and more high dividend payout ratio a company, then value company that is will more and more low. This result consistent with research Ansori and Denica (2010); Mahpudin and Suparno (2016); Noerirawan and Muid (2012); and Senata (2016).

Sustainability Report to Policy dividend
Variable SR has value coefficient regression as big as 7,127 with significance amounting to .0 62 <alpha (0.05) so that SR no takes effect significant to Policy dividend. With thus hypothesis six rejected. SR disclosures by companies will be related with Policy dividends are determined by the company. SR could be defined as a report that doesn't only load of information the performance finance but also non-

financial information that consists from information activity social and environment that allows the company can grow in a manner continuous (sustainable performance) (Elkington, 1997). Research results this reject from Prabowo (2015) and Dahlia and Siregar (2008) which states that SR influences to Policy dividend.

Company Size to Firm value

Variable company size has value coefficient regression amounting to 7,019 with significance amounting to .0 34 <alpha (0.05) so that company size takes effect significant to firm value. With thus hypothesis seven received. Research results this consistent with Pratama and Wiksuana (2016); Noor (2015); and Pratiwi (2016). More and more big size the company will influence management decisions in deciding what funding will be used by the company so that funding decisions can be made optimizing value company.

CONCLUSION

Hypothesis 1 (H1) which states that disclosure Sustainability Report does not take effect significant to profitability. Hypothesis 2 (H2) Size the company has a significant positive effect on profitability. Hypothesis 3 (H3) Profitability has an influence on positive significant to Policy dividends. Hypothesis 4 (H4) Profitability take effect positive significant to value company. Hypothesis 5 (H5) Policy dividend takes to effect positive to value company. Hypothesis 6 (H6) The results of this study reject hypothesis 6 (H6) which states that disclosure The Sustainability Report has a positive influence on policy dividend. Hypothesis 7 (H7) Size company takes to effect positive to value company. For further researchers, hopefully could perfecting research this. This study does not discuss this whole impact from SR disclosure and the reciprocal relationship between dividend policy and value company so that the future researcher is expected to an analysis the reciprocal influence between dividend policy and value company. This study also only discusses a property, real sector companies estate & building construction for researchers next expected do research in other sectors listed on the IDX.

REFERENCES

[1]. Adhima, MF, & Hariadi, B. (2016). The Effect of Sustainability Report Disclosures on Company Profitability Case Study of Manufacturing Companies Listed in the Indonesia Stock Exchange. FEB Scientific Journal Universitas Brawijaya vol 1 no 1, 1-10.

[2]. Astuti, AD (2017). Effect of Sustainability Report Disclosures on Company Values Incorporated in LQ 45 in 2012-2013. Journal of Accounting and Finance 2 (1), 301–313.

[3]. Chakraborty, I. (2014). Effects of Changing Pattern of Corporate Savings on Profitability Firms in India: A New Approach. J Eur Econ Asssoc 3 (2), 169-193.

[4]. Dehghani, P. a. (2011). The Impact of Announcement Special Dividend on The Stock Return: The Case of Malaysia. Journal of International Business Research, 10 (1), 77-94.

[5]. Marwati, CP, & Yulianti. (2015). Analysis of Sustainability Report Disclosures in Non-Financial Companies 2009-2013. Journal of Dynamics of Accounting Vol. 7, No. 2, ISSN 2085-4277., 167-181.

[6]. Ni Putu Yuni Pratiwi, FY (2016). Effect of Capital Structure and Company Size on Company Values. Bisma e-Journal University of Education Ganesha Department of Management vol.4, 1-9.

[7]. Noerirawan, R., & Muid, A. (2012). Effect of Company Internal and External Factors on Company Values (Empirical Study on Manufacturing Companies listed on the Indonesia Stock Exchange 2007-2010 Period). Diponegoro Journal 0f Accounting Volume 1, Number 2, 1-12.

[8]. Nofrita, r. (2013). Effect of Profitability on Company Values with Dividend Policy as Intervening Variables (Empirical Study on Manufacturing Companies Listed on the IDX). Padang: Padang State University.

[9]. Noor, FM (2015). Effect of Profitability and Company Size on Company Values (Case Study of Food and Beverage Companies Listed on the Indonesia Stock Exchange for the Period of 2010-2014). Jakarta: Indonesian Computer University.

[10]. Prasanjaya, Y., & Ramantha, IW (2013). Analysis of the Effect of CAR, BOPO, LDR and Firm Size on the Profitability of Banks Registered on the IDX. Accounting E-Journal of Udayana University 4.1, 230-245.

[11]. Servaes, H., & Tamayo, A. (2013). The Impact of Corporate Social Responsibility on Firm Value: The Role of Customer Awareness. Management Science 59 (5), 1045–1061.

[12]. Susanto, YK, & Tarigan, J. (2013). Effect of Sustainability Report Disclosure on Company Profitability. Business Accounting Review, Vol. 1, 1-10.

[13]. Traxler, AA, Greiling, D., & Hebesberger, H. (2018). GRI Sustainability Reporting by INGOs: A Way Forward for Improving Accountability? International Society for Third Reseacrh, Voluntas https://doi.org/10.1007/s11266-018-9976-z, 1-17.

[14]. Wahyuni, SL, & Luhur, B. (2017). Effect of Sustainability Report Disclosures on Company Values with Profitability as Moderating. Journal of Accounting and Business Vol. 17, No. 1, 13-18.

[15]. Weber, O., & Koellner, T. (2008). The Relation Between the GRI Indicators and The Financial Performance of Firms. Progress in Industrial Ecology - An International Journal, Vol. 5, No. 3, 236-254.

[16]. Widati, TR (2016). Effect of Sustainability Report Disclosures on Company Profitability. Journal of Economics and Business Vol.1 No.2, 1-17.