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The Effect of *Corporate Social Responsibility* and *Good Corporate Governance* Disclosure on Financial Performance and Company Value

Hijriah Bustan[1], Darwis Said[2], Andi Kusumawati[3]
Departement of Accounting Master of
Hasanuddin University, Makassar, South Sulawesi

Abstract:- This study aims to examine the effect of corporate social responsibility and good corporate governance on financial performance. This study uses secondary data obtained from the financial data of companies in the mining sector, basic industry and chemical sectors listed on the IDX in 2017-2019. The data analysis technique used is multiple linear regression analysis. The results partially show that Corporate Social Responsibility has no effect on financial performance, Good Corporate Governance has no effect on financial performance, Corporate Social Responsibility affects firm value, and Corporate Social Responsibility affects firm value. Simultaneously Corporate Social Responsibility and Good Corporate Governance have no effect on financial performance, Corporate Social Responsibility and Good Corporate Governance have an effect on firm value. Financial performance has an effect on firm value.

***Keywords**:- Corporate Social Responsibility, Good Corporate Governance, Financial Performance, Firm Value.*

I. INTRODUCTION

The current era of globalization raises a very tight competition in the corporate world. This competition makes every company compete to show its advantages. This advantage can be demonstrated through the results of the company's performance during the current period. At first, financial statements for a company were only as a means of evaluating the work of the accounting department, but subsequently financial statements were not only a means of evaluation but also as a basis for determining or assessing the company's financial position. In general, the purpose of a company being founded is to make a profit for its owners. Therefore, in an effort to run and maintain and improve its business activities, each management segment in the company, which includes marketing, human resources, operations and finance, must become a single unit that can work together to achieve the company's goals.

The development of the business world and the increasingly competitive economic situation, the global financial crisis affected the business world. The company was founded with the main objective of maximizing the value of the company. The value of the company will be reflected in the company's share price. The higher the stock price, the higher the value of the company. Firm value is an important concept for investors, creditors and stakeholders in determining investments in order to obtain capital gains and anticipate risks that will occur. The World Bank or The World Bank predicts that economic growth in developing countries will decline to a four-year low of 4% in 2019. A number of countries are trying to overcome the impact of financial pressures and political uncertainty.

These bottlenecks made global trade growth also the weakest in 2019 since the financial crisis a decade ago. The trade war is a major problem today. China and the US as the two world economic powers are at war. This makes other countries get a bad sentiment in the export-import process. Indonesia's economic growth in the second quarter of 2019 was at the level of 5.05% on an annual basis. This was announced by the Central Statistics Agency (BPS) on Monday (5/8/2019). This growth rate is much slower than the same period the previous year (Q2 2018) which was 5.27%. This is also the lowest economic growth rate since the second quarter of 2017 (www.cnbcindonesia.com).

One of the factors that are considered capable of influencing the financial performance of a company is corporate social responsibility. Corporate social responsibility has long been a global issue, but there is no single, widely accepted definition of corporate social responsibility. The World Business Council for Sustainable Development defines that Corporate Social Responsibility is conceptualized as a commitment from the business world to continue to act ethically, operate legally, and contribute to economic development accompanied by improving the quality of life of employees and their families, as well as for improving the quality of local communities and communities. the wider community, Dewi (2020). The impact of CSR is not only related to stakeholders and the company's reputation, but is also able to affect the value of the company. Firm value is the process of exploring the economic value of a company. Firm value is used to determine the fair market value of a business. In addition to corporate social responsibility, good corporate governance is also able to influence financial performance and company value.

The purpose of this research is to continue and develop the research of Khasanah and Sucipto (2020). Where the previous research used firm value as the dependent variable and made the profitability variable as the intervening variable. Meanwhile, the independent variables are corporate social responsibility and good corporate governance. Therefore, this study tries to develop this research by trying to examine the effect of financial performance on firm value where in previous studies there was no such test. Besides that, this study also tries to test the effect of corporate social responsibility and good corporate governance simultaneously on financial performance and firm value, which in previous studies did not test. This is because it is based on the idea that seeing the many challenges that must be faced by the company, the company must carry out an activity and the right strategy to maintain the company's survival.

II. LITERATURE REVIEW

Agency theory

Agency teory by Jansen and Meckling (1967) from their quotations it can be concluded that this theory is based on the idea that with the separation between the owner and manager of the company, an agency problem arises or better known as agency theory. Where, the owner of the company will give authority to the management to manage the company. Therefore, with the demands of the company's management from the owners to maximize the rate of return, it will make the company's management to maximize its financial performance in order to be able to meet the demands of the owners of the company. In addition, this will also benefit the management of the company itself. Besides that, Eisenhardt (1989) said also abaout agency theory: Agency theory is concerned with resolving two problems that can occur in agency relationships. The first is the agency problem that arises when (a) the desires or goals of the principal and agent conflict and (b) it is difficult or expensive for the principal to verify what the agent is actually doing. The problem here is that the principal cannot verify that the agent has behaved appropriately. The second is the problem of risk sharing that arises when the principal and agent have different attitudes toward risk. The problem here is that the principal and the agent may prefer different actions because of the dif- ferent risk preferences

Legitimacy Theory

Legitimacy Theory was first developed by Dowling and Pfeffer (1975), From their citations it can be concluded that legitimacy theory argues that the greater the likelihood of an adverse shift in social perception of how an organization acts, the greater the willingness on the part of the organization to try to cope with this change in social perception. Line theory is based on the idea that in order to continue to operate successfully, actions against society must be compatible with socially acceptable activities. Legitimacy is considered as a way to maintain the survival of an organization which is achieved through organizational actions that are in accordance with the rules and can be widely accepted by the community. O'Donovan (2002) also responds to his statement that it can be said that Legitimacy Theory argues that the more likely there is an adverse shift in social perception of how an organization acts, the greater the willingness on the part of the organization to try to overcome this change in social perception. Line theory is based on the idea that in order to continue to operate successfully, actions against society must be compatible with socially acceptable activities.

Signalling Theory

Signaling theory or signal theory was first developed by Spence (1973), Signaling theory basically reduces information asymmetry between two parties. The parties referred to here are company owners and company management. Where the management of the company is given the trust by the owner to run and manage the company well in order to obtain the maximum profit and can be held accountable to the owner of the company (stakeholders). Therefore, the management of the company will always try to convey the positive things it does in order to get a positive image in the eyes of stakeholders and the community.

Goal Setting Theory

Goal setting theory is part of the motivation theory put forward by Locke (1978In practice, goal setting is included in work procedures, in other words, there is feedback. The purpose of this feedback is to increase employee interest in achievement and provide a sense of personal responsibility for their work. Murniati, et al (2016) Goal setting theory explains that there is a relationship between a person's goals and performance on a task. Thus, the company will always try to make good corporate governance or what is commonly referred to as good corporate governance because the main goal for the company is to improve its financial performance and to increase the value of the company. This is done in order to be able to give a positive signal to stakeholders or interested parties.

Corporate Social Responsibility

Agoes and Ardana (2014: 89) in their book write several concepts of a combined understanding of CSR:

1. A.B. Susanto defines CSR as the company's responsibility to the company's internal and external. Internal responsibility is directed to shareholders and employees in the form of company profitability and growth, while external responsibility is directed to the company's role as a tax payer and provider of employment, improving the welfare and competence of the community, as well as preserving the environment for future generations.
2. Elkington argued that corporate social responsibility includes three dimensions, which are more popular with the abbreviation 3P, namely: covering profits (profits) for companies, empowering communities (people), and preserving nature/earth (planet).

Good Corporate Governance

Agoes and Ardana (2014:101) write "good corporate governance as a system that regulates the relationship between the roles of the Board of Commissioners, the role of the Board of Directors, shareholders and other

stakeholders". Good corporate governance can also be referred to as a transparent process in determining the direction or goals of the company. Agoes and Ardana (2014:106) write that the objectives and benefits of implementing GCG are:

1. Facilitate access to domestic and foreign investment.
2. Get a cheaper cost of capital
3. Provide better decisions in improving the company's economic performance.
4. Increase the confidence and trust of stakeholders in the company.
5. Protect the directors and commissioners from lawsuits.

Financial performance

The company's financial performance is a description of the financial condition of a company in an accounting period. Sarafina and Saifi (2017) Financial performance is the main benchmark for measuring whether or not a company's performance is good, this can be seen from its financial statements. The company's financial performance can be seen through its Ratio On Assets (ROA). According to Sari, et al (2017) Assessment of the performance of a company can be seen from the extent to which the company is able to generate profits. The company's profit can be known by using the profitability ratio, namely Return On Assets (ROA). Assets are all assets obtained from capital that are converted by the company into assets for the survival of a company. The known ROA is used by the company to assess the efficiency of its assets in operating activities to generate profits.

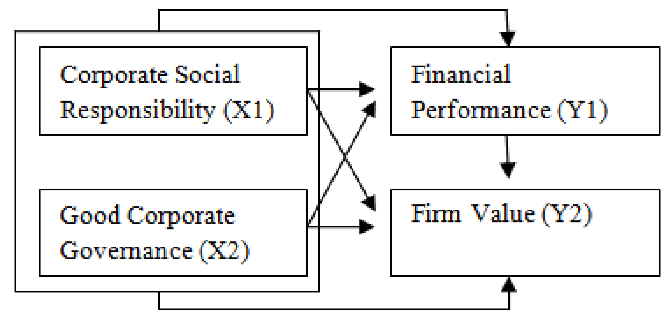
Firm Value

Firm value is a consideration for stakeholders in a company to take the next step. Denziana and Monica (2016), Denziana and Monica (2016) Corporate value is a condition that has been achieved by the company as a form of public trust in the company through a process of activities for many years. Increasing the value of the company is a manifestation of the desire of the owner of the company.

III. THOUGHT FRAMEWORK AND HYPOTHESIS

The financial performance and firm value is an important part of the company. The financial performance and value of this company will later be contained in the company's financial statements to serve as the basis for decision making by investors. This social responsibility / Corporate Social Responsibility (CSR) is one of the efforts to create business continuity in creating and maintaining a balance between the pursuit of economic profit, social functions and environmental maintenance (triple bottom line) Adam, et al (2014). Good GCG implementation in the company followed by the quality of GCG implementation makes each related party cooperate in achieving the expected target so that it can be sustainable between these parties causes the functions of each party to run optimally so that the targets to be achieved by the company can be achieved so that lead to good financial performance and will have an impact on the returns expected by shareholders are also achieved, Sarafina and Saifi (2017).

Picture 3.1 Theoretical



Hypothesis

Hypotesis based on and theoretical studies as well as previous research and the above framework, the authors formulate the following hypothesis:

H1: Corporate social responsibility has an effect on financial performance.
H2: Corporate social responsibility has an effect on firm value.
H3: Good corporate governance has an effect on financial performance.
H4: Good corporate governance has an effect on firm value.
H5: Corporate social responsibility and good corporate governance simultaneously affect financial performance.
H6: Corporate social responsibility and good corporate governance simultaneously affect firm value.
H7: Financial performance has an effect on firm value.

IV. RESEARCH METHODS

Time and The Place of Research

This study will take data on the financial statements of companies in the mining sector, basic industry and chemical sectors available on the IDX for the 2017-2019 period.

Population, Samples, and Sampling Techniques

The research population is all mining companies, basic industrial sectors and chemicals listed on the Indonesia Stock Exchange (IDX). The sampling technique was carried out by purposive sampling method with the following criteria:

Purposive Sampling

No.	Keterangan	Jumlah
1	Mining sector companies, basic and chemical industry sectors	109
2	The company reports annual reports and financial reports in full from 2017 to 2019	86
3	Companies that use the rupiah currency in their financial statements	41
4	The company did not experience a loss in the year of observation	26
	Total Sampel	**26 x 3 = 78**

Source : www.idx.co.id

The reason for choice the first criteria, namely the mining sector, basic industrial sector and chemical as a sample of this research because seeing the phenomenon as reported in the coverage 6.com Executive Director of WALHI West Java, Meiki W Paendong said, the landscape in the form of hilly areas changed its function into andesite quarry. In addition to the exploitation of natural resources for mineral mining, one of which is carried out in the karst landscape area. "The mining activities pollute surface water, lose water sources, air and damage public road infrastructure. Mining activities also cause a lot of high social conflicts," Meiki said to Liputan 6.com, Thursday (2/1/2020).

The reason for choice the second criterion is because by looking at several companies that are inconsistent in publishing their financial statements consecutively every year in the observation year from 2017 to 2019 it was decided that only companies that are consistent in publishing their financial statements consecutively from 2017 to 2019 in sample criteria. The reason for setting the third criterion is because with the existence of several companies that publish their financial statements in Dollars ($) even though the explanation of their financial statements uses Indonesian in the observation year from 2017 to 2019, even though the currency is converted into rupiah currency (Rp) it is feared that the calculation is inaccurate so it was decided that only companies that use rupiah currency were included in the sample criteria. The reason for setting the fourth criterion is because by looking at several companies that experienced losses in the year of observation from 2017 to 2019 and with the determination of the measurement of financial performance in this study as measured by ROA or profit of each company. Therefore, companies that do not experience losses will enter the sample criteria.

Type and Source of Data

This type of research is quantitative where the type of data used is secondary data, namely financial report data published by the Indonesia Stock Exchange from 2017 – 2019.

Data Collection Methods

Sugiyono (2013:401) Data collection techniques are the most important step for a study, because it aims to obtain data. Without knowing the techniques of data collection, researchers will not get data that meets existing standards. The data collection method in this research is the documentation method. The data collected is financial statement data presented on the Indonesia Stock Exchange. Where the financial report data also describes the social activities carried out by the company.

Research Variables and Operational Definitions

The variables in this study consisted of independent variables (unbound variable) and dependent variable (bound variable). The independent variables are Corporate Social Responsibility and Good Corporate Governance. Meanwhile, the dependent variable is Company Value and Financial Performance. These variables were selected based on the variables found in previous studies.

Financial Performance

In this study, the dependent variable of financial performance is measured using ROA because the performance appraisal of a company can be seen from the company's ability to generate profits. The company's profit can be known by using the profitability ratio, namely Return On Assets (ROA), Sari, et al (2017).

$$ROA = \frac{\textit{Earning After Tax}}{\textit{Total Asset.}}$$

Firm Value

In this study, the dependent variable of firm value is measured using 's Q. Sarafina and Saifi (2017) One of the measurements of firm value used is the Tobins' Q ratio. This ratio was developed by James Tobins'Q (1967). This ratio can provide good information because it explains various phenomena in decision making such as the occurrence of cross section differences in investment decision making and diversification of the relationship between management share ownership and firm value.

$$Tobin\text{'s Q} = \frac{\text{EMV + DEBT}}{\text{TA}}$$

description :

$Tobin$'s Q : Company Value
EMV : Equity Market value
DEBT : The company's total debt at the end of the period.
TA : total assets

Corporate Social Responsibility

In this study, the independent variable Corporate Social Responsibility was measured using the GRI G4 index www.globalreporting.org. If the item is disclosed it will be given a number 1 and if the item is not disclosed it will be given a number 0.

Good Corporate Governance

In this study, the independent variable of Good Corporate Governance was measured using the Board of Commissioners Proportion Indicator. Agoes and Ardana (2014:101) write "good corporate governance as a system that regulates the relationship between the roles of the Board of Commissioners, the role of the Board of Directors, shareholders and other stakeholders". Good corporate governance can also be referred to as a transparent process for determining the goals, achievements, and performance appraisal of the company itself.

Proportion of Independent Commissioners = Number of Independent Commissioners / Number of All Commissioners X 100%.

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IV. RESULT AND DISCUSSION

Deskripsi Data

This study was conducted to analyze the effect of financial performance, firm value on Corporate Social Responsibility (CSR) and good corporate governance (GCG). The samples obtained were 78 of 26 company reports for 3 consecutive years. The processed data is secondary data obtained from the Indonesia Stock Exchange (IDX).

Descriptive statistics

Descriptive statistics of research variables provide an overview of existing data. In this study, descriptive statistics can be seen from the minimum, maximum, average and standard deviation values. The sample data processed in this study were 78 samples. Descriptive statistics for all variables can be seen in the following table:

Variabel	N	Minimum	Maximum	Mean	Std. Devitiation
Financial Peformance	78	.00	168.59	2.9067	19.20517
Firm Value	78	862793250.7	1.05E+14	1.2155E+13	2.31690E+13
CSR	78	.08	.67	.2597	.16833
GCG	78	.50	1.17	.6508	.12741

Source: SPSS 24 Output (data processed, 2021)

The table above shows that financial performance has a minimum value of 0.00 and a maximum value of 168.59. The average value of the financial performance variable is 2.9067 with a standard deviation of 19.20517. This shows that the standard deviation value for the financial performance variable is greater than the average value.

The firm value variable has a minimum value of 862793250.7 and a maximum value of 1.05E+14. The average value of these variables is 1.2155E+13 with a standard deviation of 2.31690E+13. This shows that the value of the standard deviation for the firm value variable is greater than the average value.

The Corporate Social Responsibility (CSR) variable has a minimum value of 0.08 and a maximum value of 0.67. The average value of these variables is 0.2597 with a standard deviation of 0.16833. This shows that the value of the standard deviation for the variable Corporate Social Responsibility (CSR) is smaller than the average value.

The Good Corporate Governance (GCG) variable has a minimum value of 0.50 and a maximum value of 1.17. The average value for these variables is 0.6508 with a standard deviation of 0.12741. This shows that the value of the standard deviation for the Good Corporate Governance (GCG) variable is smaller than the average value.

Classic assumption test

To be able to perform multiple linear analysis, it is necessary to test the classical assumptions as a requirement in the analysis to obtain meaning. Classical assumption test consists of normality test, heteroscedasticity test and multicollinearity test.

- **Normality Test**

The normality test was carried out with the aim of whether the independent and dependent variables in the regression model were normally distributed. Normality testing can be seen on the normal probability plot graph (p-plot) or with the Kolmogrov-Smirnov test. A variable is said to be normal if it has a significance value greater than 0.05. The normality test used in this study is using the Kolmogrov-Smirnov test with the following results in the following table.

Corporate Social Responsibility & Good Corporate Governance		***Asymp.Sig***	***Sig***	**N**	**Description**
Y1	Financial Performance	0,200	0,05	78	Normal distribution
Y2	Firm Value	0,057	0,05	78	Normal distribution

Source: SPSS 24 Output (data processed, 2021)

The table above shows that the Asymp.Sig value of the Corporate Social Responsibility (CSR) variable, Good Corporate Governance (GCG) on financial performance is 0.200, which is greater than the 0.05 significance value. The Asymp.Sig value of the Corporate Social Responsibility (CSR) Good Corporate Governance (GCG) variable to the firm value is 0.057, which is greater than the 0.05 significance value. It can be said that the normality test has been met.

- **Heteroscedasticity Test**

Heteroscedasticity test was carried out with the aim of seeing whether in a regression model there was an inequality of variance for all observations. If the probability value (p value) is greater than 0.05, then there is no heteroscedasticity. The following are the results of the heteroscedasticity testing of this study in the following table.

Variabel	T	Sig.	Description
Corporate Social Responsibility (X1)	-1,018	0,312	There is no heteroscedasticity
Good Corporate Governance (X2)	-1,846	0,069	There is no heteroscedasticity

Source: SPSS 24 Output (data processed, 2021)

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- **Multicollinearity Test**

Multicollinearity test with the aim of testing whether in a regression model there is a correlation between the independent variables (independent). When there is no correlation between independent variables, the regression model is considered good. Multicollinearity can be seen from the value of tolerance and variance Inflation Factor (VIF). If the tolerance value is greater than 0.10, it means that there is no multicollinearity to the data being tested, and vice versa. If the variance Inflation Factor (VIF) is less than 10.00, it means that there is no multicollinearity to the data being tested, and vice versa. The results of the multicollinearity test of this study can be seen in the following table.

Variabel Independen	**Collinearity Statistics**		**Description**
	Tolerance	**VIF**	
Financial Performance (X1)	0,987	1,013	Multicollinearity does not occur
Firm Value (X2)	0,987	1,013	Multicollinearity does not occur

Source: SPSS 24 Output (data processed, 2021)

The table above shows that there is no multicollinearity in the independent variables in this study. This can be seen from the tolerance value of 0.987 which is greater than 0.10. Likewise, the value of variance Inflation Factor (VIF) 1.013 is smaller than 10.00.

Multiple Linear Regression Analysis

Multiple linear analysis serves to find the effect of two or more independent variables on the dependent variable. The following table analyzes the regression coefficients and regression equations in this research.

Kinerja Keuangan (Y1)					
Model	**Unstandarized Coefisien**		**Correalation**		
	B	**Std. Error**	**Zero-order**	**Partial**	**Part**
Constant	0.83	.026			
CSR	.007	.034	.010	.023	.023
GCG	-.041	.042	-.112	-.114	.114
Nilai Perusahaan (Y2)					
Model			Correalation		
	B	Std. Error	Zero-order	Partial	Part
Constan	2.200E+13	1.019E+13			
CSR	6.906E+13	1.340E+13	.470	.511	.499
GCG	-4.700E+13	1.643E+13	-.222	-.314	-.277

Source: SPSS 24 Output (data processed, 2021)

Based on the table above, it shows that the regression coefficients of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) on financial performance are 0.023 and -0.114, respectively, and the Constant value is 0.083. Thus the regression equation is formed as follows:

Y= 0,083 +0,023X1 - 0,114X2

This model shows that the coefficients are positive and negative for each independent variable. These results illustrate that there is a positive relationship between the Corporate Social Responsibility (CSR) variable and a negative relationship between the Good Corporate Governance (GCG) variable which means that the lower the disclosure of Corporate Social Responsibility (CSR) will increase financial performance and if Good Corporate Governance (GCG) is increasing, it will reduce the financial performance of a company.

The variables of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) to the firm value are 0.499 (X1) and -0.277, respectively, and the Constant value is 2.200E+13. Thus the regression equation is formed as follows:

Y= 2.200E+13 + 0,499 X1 - -0,277 X2

This model shows that the coefficients are positive and negative for each independent variable. These results illustrate that there is a positive relationship between the Corporate Social Responsibility (CSR) variable and a negative relationship between the Good Corporate Governance (GCG) variable which means that the lower the disclosure of Corporate Social Responsibility (CSR) will increase the value of the company and if Good Corporate Governance (GCG) is increasing, it will decrease the value of the company in a company.

Determination Analysis

Determination analysis is an analysis used to find out how much variance (variation of changes) that occurs in the dependent variable (Y) which can be explained by the variance that occurs in the independent variable (X). The determination value of this research is as follows:

R Square	**Variabel**
0,013	Kinerja Keuangan (Y1)
0,298	Nilai Perusahaan (Y2)

Source: SPSS 24 Output (data processed, 2021)

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In the table above, it is known that the R Square value is 0.013. Based on the value of R Square (R^2), it can be said that 0.13% of the variation in financial performance disclosure can be explained by Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) together, while the variation of financial performance disclosure that cannot be explained. explained by Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) but can be explained by other facts that are not observed by researchers is 99.87 % (100% - 0.13 %).

R Square value of 0.298 Based on the value of R Square (R^2) it can be said that 2.98% of the variation of corporate value disclosure can be explained by Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) together, while the variation of disclosure The value of the company that cannot be explained by Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) but can be explained by other facts not observed by researchers is 97.02% (100% - 2.98%).

Partial Determination Analysis (r^2)

The coefficient of determination (r^2) shows the magnitude of the influence of each independent variable on the dependent variable. The data for the partial determination of this study are shown in the following table.

Financial Performance (Y1)	
Variabel	**Pearson Correlation**
Corporate Social Responsibility (X1)	0.010
Good Corporate Governance (X2)	-0.112
Firm Value (Y2)	
Variabel	Pearson Correlation
Corporate Social Responsibility (X1)	0.470
Good Corporate Governance (X2)	-0.222

Source: SPSS 24 Output (data processed, 2021)

Based on the data above, it can be seen that Corporate Social Responsibility (CSR) has a correlation coefficient of 0.010 and Good Corporate Governance (GCG) has a correlation coefficient of -0.112 on financial performance. Corporate Social Responsibility (CSR) has a correlation coefficient of -0.470 and Good Corporate Governance (GCG) has a correlation coefficient of -0.222 to firm value.

Statistic test

The statistical test aims to test the effect of the independent variable on the dependent variable. If the significant value is less than 0.05 then Ha is accepted and Ho is rejected, and vice versa. In this study, it can be seen in the following table.

Variabel	**Sig.**	**Kinerja Keuangan (Y1)**	**Sig.**	**Nilai Perusahaan (Y2)**
Corporate Social Responsibility (X1)	0.842	0.200	0.000	5.153
Good Corporate Governance (X2)	0.324	-0.993	0.005	-2.861
			0,021	2,366

Source: SPSS 24 Output (data processed, 2021)

Variabel	**F hitung**	**Sig.**
Kinerja Keuangan (Y1)	0,497	0.610
Nilai Perusahaan (Y2)	15,912	0.000

Source: SPSS 24 Output (data processed, 2021)

Based on the table shows that the results of hypothesis testing on financial performance and firm value are as follows:

H1: The effect of corporate social responsibility on financial performance. The effect of corporate social responsibility on financial performance has a t value of 0.200 and a significant value of 0.842 > 0.05. This shows that hypothesis 1 is rejected.

H2: The effect of good corporate governance on financial performance. The effect of good corporate governance on financial performance has a t value of -0.993 and a significant value of 0.324 > 0.05. This shows that hypothesis 2 is rejected.

H3: The effect of corporate social responsibility on firm value

The effect of corporate social responsibility on firm value has a t-count value of 5.153 and a significant value of 0.000 <0.05. This shows that hypothesis 3 is accepted.

H4: The effect of good corporate governance on firm value
The effect of corporate social responsibility on firm value has a t-count value of -2.861 and a significant value of 0.005 <0.05. This shows that hypothesis 4 is accepted.

H5: The effect of corporate social responsibility and good corporate governance on financial performance. The influence of corporate social responsibility and good corporate governance on financial performance has a calculated F value of 0.497 and a significant value of 0.610 > 0.05. This shows that hypothesis 5 is rejected.

H6: The effect of corporate social responsibility and good corporate governance on firm value

The effect of corporate social responsibility and corporate social responsibility on firm value has a calculated F value of 15.912 and a significant value of 0.000 <0.05. This shows that hypothesis 6 is accepted.

H7: Effect of financial performance on firm value

The effect of financial performance on firm value has a t-count value of 2.366 and a significant value of 0.021 <0.05. This shows that hypothesis 7 is accepted.

DISCUSSION

H1: The effect of corporate social responsibility on financial performance.

Testing the influence of corporate social responsibility on financial performance has a t-count value of 0.200 and a significant value of 0.842> 0.05. This shows that hypothesis 1 is rejected. This means that Corporate Social Responsibility (CSR) has no effect on financial performance. The results of this study are inversely proportional to the results of research by Sulastri and Nurdiansyah (2017). However, it is supported by research conducted by Parengkuan (2018). This is because some companies consider that corporate social responsibility is not their obligation but the government must carry it out, as written by Rice (2017) Companies that are oriented towards achieving profit and not joining groups of social organizations, argue that the implementation of CSR is not something that must be done, this is because the company has indeed made a profit, but in addition, the company has also paid taxes to the state, and therefore the responsibility for improving public welfare should have been taken over by the government. With tax revenues, it is natural for the government to use these revenues for the development of the country which will later provide benefits to the community. as written by Locke (1978) Goal setting theory is part of motivation theory which in practice, goal setting is included in work procedures in other words, namely the existence of feedback. The purpose of this feedback is to increase the employee's interest in achievement and to give him a sense of personal responsibility for his work.

H2: Effect of good corporate governance on financial performance

Testing the effect of good corporate governance on financial performance has a t-count value of -0.993 and a significant value of 0.324> 0.05. This shows that hypothesis 2 is rejected. It means that Good Corporate Governance (GCG) has no effect on financial performance. The results of this study are inversely proportional to the results of research by Sari, et al (2016), Hafez (2016). However, it is supported by research conducted by Sanchia, et al (2015).

Set of relationships between a company's management, its board, its shareholders and stakeholders through which company goals are set to achieve company goals and monitor performance." Usually the way to determine the performance of a company is always profit. The greater the profits, the better the management in managing the company, but to assess the company's performance it is not enough just to make profits. This shows that Good Corporate Governance (GCG) is not able to affect the financial performance of a company because good Good Corporate Governance is not only based on financial performance.

Business actors consider GCG to be limited to compliance with regulations that do not have a direct impact on financial performance as is the case in marketing activities. So this is the reason why GCG is not optimal in terms of its implementation among Indonesian companies. This is a very contradictory thing, where on the one hand the implementation of GCG is believed to be very important in achieving sustainable company goals, but on the other hand, many business actors are reluctant to implement it seriously - indeed, for the reason that the impact is less significant on Purwani's financial performance (2010). As Jansen and Meckling (1967) said, Agency theory arises because of the separation between owners and managers of companies, an agency problem arises or better known as agency theory. Where, the owner of the company will give authority to the management to manage the company.

H3: The effect of corporate social responsibility on firm value

Testing the influence of corporate social responsibility on firm value has a t-count value of 5.153 and a significant value of 0.000 <0.05. This shows that hypothesis 3 is accepted. That is, Corporate Social Responsibility (CSR) has an effect on firm value. The results of this study are inversely proportional to the results of Hafez's research (2016). However, it is supported by research conducted by Sari, et al (2016).

The implementation of this CSR covers the Company's internal and external activities. If the implementation of CSR has been implemented properly then this will increase the value of the company in the eyes of the community. As stated by Dowling and Pfeffer (1975) Legitimacy Theory is considered important in analyzing the relationship between an organization and its environment. With this legitimacy, it can limit the organization's actions towards its environment in accordance with applicable social norms and values.

According to Denziana and Monica (2016), company value is a certain condition that has been achieved by the company as a form of public trust in the company after going through several stages of activities for several years, namely since the company was founded until now. Increasing the value of the company is an achievement expected by the owner of the company. Company value can be ascertained to grow sustainably if the company pays attention to the economic, social and environmental dimensions because sustainability is a mediator between the interests of the economy, the environment and the community. Primady and Wahyudi (2015). It can be concluded that with the implementation of CSR in a company it will be able to increase the value of the company itself.

H4: The effect of good corporate governance on firm value

The test of corporate social responsibility on firm value has a t-count value of -2.861 and a significant value of 0.005 <0.05. This shows that hypothesis 4 is accepted. This means that Good Corporate Governance (GCG) has an insignificant negative effect on firm value. The results of this study are inversely proportional to the results of the research of Josephus, et al (2020). However, it is supported by the results of research by Sarafina and Saifi (2017).

Good Corporate Governance (GCG) is an effort to build a strong and sustainable company. The implementation of Good Corporate Governance (GCG) is expected to improve company management that is more transparent for Alfinur's stakeholders (2016). The value of a company can be said to be good if good corporate governance is implemented, to get good management, the company must implement good corporate governance (GCG). By implementing good GCG it will increase the value of the company Fatoni and Sulhan (2017).

Agency conflict is a problem that occurs between agents and principals, which if in a company is a conflict between management and company shareholders. Shareholders, as company owners, expect management to perform various services aimed at increasing shareholder value. Utami and Syafruddin (2015).

H5: The effect of corporate social responsibility and good corporate governance on financial performance

Testing the effect of corporate social responsibility and corporate social responsibility on financial performance has a calculated F value of 0.497 and a significant value of 0.610 > 0.05. This shows that hypothesis 5 is rejected. This means that Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) together or simultaneously have no effect on financial performance. This shows that the level of disclosure of Corporate Social Responsibility (CSR) and Good Corporate Governance together does not affect the financial performance of a company. The results of the study are inversely proportional to the results of Rizal's research (2016). However, this is supported by research by Deby (2020). This is because the CSR concept of a company in carrying out activities and making decisions is not only based on financial factors but must also be based on social and environmental consequences for now and in the future. In particular, in order to achieve the company's main goal, Parengkuan (2017). In addition to the concept of Corporate Social Responsibility, the concept of Good Corporate Governance is also the center of attention in the company's activities.

Good Corporate Governance is a system that is able to direct and control the company with the aim of achieving a balance between the authority required by the company to ensure the continuity of its existence and accountability to stakeholders. So it can be concluded that Corporate Social Responsibility, and Good Corporate Governance is a must that is carried out by the company as a form of absolute responsibility carried out, not with the aim of improving the company's financial performance. Gestariana (2018) Goal Setting Theory is one of the motivational theories which refers to the importance between the goals set and the performance obtained. The essence of this concept is that someone who is able to understand the goals expected by the organization, then that understanding will affect how it works.

H6: The effect of corporate social responsibility and good corporate governance on firm value.

Testing the effect of corporate social responsibility and corporate social responsibility on firm value has a calculated F value of 15.912 and a significant value of 0.000 <0.05. This shows that hypothesis 6 is accepted. That is, Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) together or simultaneously have a significant positive effect on firm value.

This shows that the level of disclosure of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) together affects the value of the company. The concern of the business world to set aside funds for Corporate Social Responsibility activities in a sustainable manner will actually also bring a number of benefits to the business world itself, one of which is maintaining and boosting the reputation and brand image of the company. In addition to the concept of Corporate Social Responsibility, the value of the company is influenced by many factors, one of which is through good corporate governance Setyawan (2017). The company's performance is positive or in a high sense, then it shows that the company's operational activities during one period went well. Thus, the implementation of corporate social responsibility and good corporate governance is expected to increase the value of the company itself. The results of this study are also supported by research in line with research conducted by Sarafina and Saifi (2017).

Legitimacy theory argues that the more likely it is that an adverse shift in social perception of how an organization acts, the greater the willingness on the part of the organization to try to cope with this change in social perception.

H7: Effect of financial performance on firm value

Testing the influence The effect of financial performance on firm value has a t-count value of 2.366 with significant value of 0.021 <0.05. This shows that hypothesis 7 is accepted. This means that the financial performance variable has no significant positive effect on firm value. This research is supported by research conducted by Nuriwan (2018).

Good financial performance will have an impact on increasing the value of a company. This is because stakeholders will pay more attention to companies that have good financial performance. As it is known that the value of the company is part of the perception of stakeholders on the increasing success of a company. According to Sarafina and Saifi (2017), the company's good and increasing financial performance causes an increase in stock prices and the number of shares outstanding so that the value of the

company also increases (Dandy and Nugroho (2020). Murniati, et al (2016) Goal setting theory explains that there is a relationship between a person's goals and performance on tasks. Thus, the company will always try to make good corporate governance or what is commonly referred to as good corporate governance because the main goal for the company is to improve its financial performance and to increase the value of the company.

V. CLOSING

Conclusion

Based on the results of hypothesis testing and discussion of the influence of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) on financial performance and firm value, some conclusions can be drawn as follows:

1. Corporate Social Responsibility (CSR) has no effect on financial performance. This is because companies feel that social responsibility is not something they must do, but the government has an obligation for it because they have paid taxes.
2. Good Corporate Governance (GCG) has no effect on financial performance. This is because the company is not serious in implementing GCG and considers that it will not affect financial performance.
3. Corporate Social Responsibility (CSR) has an effect on firm value. This is because the value of the company is something that has been achieved by the company as a form of public trust in the company after going through a series of activities in several years, namely since the company was founded until now. Increasing the value of the company is an achievement that is expected by the owners. It can be concluded that with the implementation of good CSR in a company it will be able to increase the value of the company itself.
4. Good Corporate Governance (GCG) has an effect on firm value. This is because more transparent company management for stakeholders is able to increase the value of the company itself. A high company value is the desire of the company's owners, As it is known that a high value is able to describe the high prosperity of the shareholders themselves
5. Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) together or simultaneously have no effect on financial performance. Corporate Social Responsibility and Good Corporate Governance is a must that is carried out by the company as a form of absolute responsibility carried out, not with the aim of improving the company's financial performance.
6. Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) together or simultaneously affect the value of the company. The concern of the business world to set aside funds for Corporate Social Responsibility activities in a sustainable manner will actually also bring a number of benefits to the business world itself, including being able to maintain and boost the reputation of the company's image itself. In addition to the concept of Corporate Social Responsibility, the value of the company is influenced by many factors, one of which is through good corporate governance or commonly known as Good Corporate Governance.
7. Financial performance variables affect firm value. Good financial performance will have an impact on increasing the value of a company. This is because stakeholders will pay more attention to companies that have good financial performance. As it is known that the value of the company is part of the perception of stakeholders on the increasing success of a company.

Implication

The implication of this research is that a company's financial performance is not influenced by corporate social responsibility and good corporate governance. The results can be used as a consideration for capital market players to see that the performance of a company is not determined by how much corporate social responsibility funds are provided and is not determined by how good the company's good corporate governance is. But besides that, the value of a company is influenced by corporate social responsibility and good corporate. This can also be taken into consideration by capital market players in choosing which companies to invest in.

Research Limitations

This research was conducted due to limitations that could reduce the quality and impact on the results of the study. Limitations in this study are as follows:

1. This research will initially take samples of Indonesian and Malaysian financial statements to compare which one is more dominant in the disclosure of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG), but due to time constraints, it only focuses on the Indonesian capital market.
2. This research does not develop new variables to be studied.

Suggestion

Based on the conclusions that have been stated previously, the following suggestions are proposed:

1. Future research is expected to be able to develop its research by taking samples of financial statements from several Asian countries and comparing them with which disclosures of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) are more dominant and to see whether the disclosures of Social Responsibility (CSR) and Good Corporate Governance (GCG) Corporate Governance (GCG) can affect the capital market in each country.
2. Further research is also expected to be able to develop its research by making countries with a dominant Muslim population the object of their research and to see whether the Islamic State has implemented Social Responsibility (CSR) well because it sees the teachings in Islam not to damage the environment.

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