Corporate Value Is Affected by Good Corporate Governance and Corporate Social Responsibility in State-Owned Business (Bumn) Companies Registered on IDX 2014-2018 Period

Ignatius Septo Pramesworo and Tiolina Evi

ABSTRACT

This study aims to determine the effect of Good Corporate Governance (GCG) and Corporate Social Responsibility (CSR disclosure) on firm value. The object of this research is a state-owned company (BUMN) listed on the Indonesia Stock Exchange (BEI) for the 2014-2018 period. The sample selection method used in this research is purposive sampling method and the analysis technique used is multiple linear regression which includes classical assumption tests and hypothesis testing. The total sample in the study was 20 companies. The data processing in this study used the Eviews version 10. The results showed that the simultaneous effect of Good Corporate Governance and Corporate Social Responsibility on firm value. In addition, this study proves that partially institutional ownership has an effect on firm value, while CSR disclosure has no effect on firm value.

Keywords: BEI, BUMN, Corporate Value, CSR, GCG.

Submitted : February 27, 2021

Published : July 27, 2021

ISSN: 2507-1076

DOI: 10.24018/ejbmr.2021.6.4.785

Ignatius Septo Pramesworo *

Perbanas Institute, Jakarta, Indonesia.

(e-mail: ign.septo@perbanas.id)

Tiolina Evi

Perbanas Institute, Jakarta, Indonesia.

(e-mail: tiolina@perbanas.id)

**Corresponding Author*

I. INTRODUCTION

Investment is a means used to place funds in the hope that these funds will generate positive income and / or maintain or increase their value. In investment activities, funds placed can take various forms. Funds that want to be invested can be placed in banking products such as deposits or savings, besides that the funds can also be placed in the real sector, such as in the form of land and property. In addition, funds can also be placed in the financial sector in the form of bonds or stocks.

In particular, investments in shares made in the capital market are often considered to be more attractive to investors who understand investment developments. The capital market offers a high rate of return with a high risk that attracts the attention of investors in this sector. The level of risk and return will be a consideration for investors to invest in stocks. The considerations made by investors will later lead to an investment decision.

Before making stock investment decisions, stock investors usually conduct an analysis of the value of shares. According to Jogiyanto [16], there are two types of analysis that are widely used to determine the true value of shares, namely by using fundamental security analysis or also known as company analysis or technical analysis. Fundamental data analysis uses data that comes from finance, while in technical analysis the data used is data from the market which is related to stock value to determine market value.

According to [16], basically the share value is determined by the fundamental condition of a company. In making the decision to invest their money by buying shares, investors consider general matters related to the company's financial performance such as issuer's profit, sales growth, and assets during a certain period of time. In addition, Hayati N. stated that future prospects are also very important to consider. In investment activities in the capital market, high company value is highly favored by investors. High company value reflects the public perception of the company. The better the company value, the better / positive the public perception of the company. According to Husnan [24], company value is also the price paid by prospective buyers when the company is sold. Therefore, information relating to company value is very important for investors in making investment decisions.

One source of information to assess the performance of a company is through financial reports. According to [32], financial reports are communication media used to connect parties with an interest in the company. Financial reports are also a source of information used to assess company performance. The company's performance is the result of many individual decisions made continuously by management. The company's performance can be assessed, among others, from the company's financial performance.

Investors need complete, accurate and reliable information to support their investment decisions. According to [34], companies will disclose information if the information increases company value. So, companies tend to disclose information that is expected to maximize the value of the

company, which in turn will increase the company's stock price. The information disclosed by the company is Good Corporate Governance (GCG), Corporate Social Responsibility (CSR), company performance, and others.

From various kinds of information disclosed by the company, one of them is Good Corporate Governance (GCG). According to [28], corporate governance is a system that regulates and controls companies that are expected to provide and increase company value to shareholders. Therefore, with the implementation of Good Corporate Governance in the company, it is expected that the company managers can carry out activities or make decisions in accordance with company objectives. The implementation of Good Corporate Governance can also help minimize agency problems.

Several large companies in Indonesia have problems and are even unable to continue their business activities due to bad corporate governance practices. Examples include government banks that have been liquidated / merged (Bank Pembangunan Indonesia, Bank Dagang Negara, Bank Bumi Daya, Bank Ekspor-Import); PT Indorayon (a paper mill company in North Sumatra); PT Dirgantara Indonesia (an aircraft manufacturer headquartered in Bandung) and PT Lapindo Brantas (an oil and gas exploration company in Sidoarjo, East Java). The downfall of several state-owned banks in the early 21st century was more due to the imprudent credit policy expansion of the bank directors. Credit is given in large numbers to several large business groups without going through a careful and objective study of their business feasibility studies. As a result, these state banks experienced financial difficulties because this large business group was unable to repay their loans and interest [1].

Apart from information about GCG, another important information disclosed by the company is information about Corporate Social Responsibility (CSR). Initially, reporting on CSR arose because of the awareness that in addition to seeking maximum profit, we must also pay attention to the sustainability aspects of the company environment. According to [3] in the past, most companies generally assume that their corporate responsibility is limited to disclosing financial performance or quantitative information in line with the main focus on maximizing profit. Therefore, companies pay little, if any, attention to environmental and social disclosure issues as these are non-financial issues. Unlike financial performance reports, qualitative and social environmental accounting issues are not in the interests of the company or organization at that time. However, the scenario has changed, and non-financial reporting grows significantly as Shareholders, company stakeholders realize that these issues ultimately affect their overall sustainability.

State-owned enterprises (BUMN) are corporations whose majority shares are owned by the government. Therefore, BUMN is expected to be able to become a driving force for the Indonesian economy and a source of increasing public welfare and is expected to be able to make a valuable contribution to all interested parties (stakeholders). The role of BUMN is manifested in business activities in almost all sectors of the economy, such as agriculture, fisheries, plantations, forestry, manufacturing, mining, finance, post and telecommunications, transportation, electricity, industry,

trade and construction. BUMN in carrying out its activities is reflected in one of the performance measurements tools, namely financial reports that show the financial performance of SOEs each year [26].

II. THEORETICAL REVIEW

A. Theory

1. Good Corporate Governance

The definition of GCG according to the Forum for Corporate Governance Indonesia (FCGI) [21] is "a set of rules for the relationship between shareholders, company managers, creditors, government, employees and other internal and external stakeholders." Meanwhile, Cadbury [37] states that "corporate governance is a system that regulates and controls or supervises companies". [1] defines it as "a system that regulates the relationship between the role of the board of commissioners, the role of directors, shareholders and other stakeholders."

Based on the opinion of several experts, it can be concluded that GCG is a system. The system regulates the relationships between the various stakeholders which are divided into internal and external. Internal parties are company managers and employees, while external parties are shareholders, government, creditors, and other external parties. This system in other words intends to control or direct the company.

TABLE I: GCG CONCEPT

1. Place	Organization (corporate, social, government)
2. Model	A system, process and set of rules, including the principles and values that underlie sound business practices
3. Goal	a. Increasing organizational performance b. Creating added value for all stakeholders c. Preventing and reducing manipulation and significant mistakes in organizational management d. Increasing efforts so that stakeholders are not harmed
4. Mechanism	Organizing and reaffirming relationships, roles, authorities, and responsibilities: a. In a narrow sense: between owners / shareholders, and commissioners and board of directors b. In a broad sense: among all stakeholders

Source: [1].

2. Corporate Social Responsibility

According to the EU Green Paper on CSR [1] defines CSR as "a concept in which a company integrates attention to society and the environment in its business operations and in its voluntary interactions with stakeholders." Meanwhile, the World Business Council on Sustainable Development (WBCSD) [10] defines CSR as "a commitment from the company to implement behavioral ethics and contribute to sustainable economic development. Another commitment is to improve the quality of life of employees and their families, the local community, and the wider community".

Based on this description, it can be concluded that CSR is a concept that regulates a company with its surrounding community and environment as a form of corporate responsibility. This responsibility is manifested in the company's behavior and contribution to the sustainability of the community and the surrounding environment. This is

carried out with the awareness of the importance of environmental and community sustainability. Because the existence of a company in carrying out its business operations always has a direct or indirect reciprocal impact on the community and the environment in which the company is located.

3. Corporate Social Responsibility Concept

According to [5], the concept of Corporate Social Responsibility involves a responsible partnership between the government, community resource institutions, as well as the local (local) community. This partnership is not passive and static, this partnership is a shared social responsibility between stakeholders. The concept of corporate philanthropy in social responsibility is no longer adequate, therefore the concept does not involve social corporate responsibility partnerships with other stakeholders.

4. The Value of the Company

According to [17], company value is the perception of investors about the company, which is often associated with stock prices. The high stock price also makes the company value high. This high company value is highly desired by company owners because a high company value will show that the shareholder's prosperity is also high.

Meanwhile, according to [23], the prosperity of shareholders who are given company value will be maximally achieved if the company's share price increases. The high share price implies the high prosperity of shareholders. Generally, shareholders / investors hand over the management of their company to professionals who are positioned as managers or commissioners to achieve company value.

Based on the quote, it can be concluded that the company value is the investor's perception of the company with regard to stock value. So, it can be said that if the stock value is high, the company value is also high. Thus, the increase in company value also provides prosperity to shareholders. In order to increase company value, shareholders entrust professionals to manage their company.

In this study, Price to Book Value (PBV) is used as a proxy for firm value. According to [33], "Price to Book Value (PBV) is used to measure the performance of the stock market price against its book value. PBV also shows how far the company is able to create firm value relative to the amount of capital invested." [38] states that "Price to Book Value (PBV) is commonly used to assess all types of companies because book value can be a rational measure for valuing companies." In addition, PBV can be used to compare companies from an industry with the same accounting standards. In addition, PBV can also be used in companies that experience losses.

5. Institutional Ownership

Perdana and Raharja [37] stated that institutional ownership is the number of shares owned by the institution. Institutional ownership which is increasingly dominant is very beneficial for the company because with this supervisory function it is expected to monitor the performance of managers in the use of company assets so that they are managed as efficiently as possible. Institutional ownership generally acts as a party to monitor the company. Companies

with large institutional ownership (more than 5%) indicate their ability to monitor management.

Beiner [37] states that institutional ownership is part of an indicator of the external mechanism of good corporate governance. Jensen and Meckling [13] reveal that in the good corporate governance mechanism institutional ownership has an important role, namely in minimizing agency conflicts between shareholders and management (company managers). State-owned companies listed on the stock exchange are generally owned by an institution, namely the Government of the Republic of Indonesia. Therefore, the Government of the Republic of Indonesia is involved in the GCG mechanism of BUMN companies, in monitoring management and minimizing agency conflicts.

B. Hypothesis Formulation

1. The Effect of Good Corporate Governance on Company Value

Jensen and Meckling [13] reveal that in the Good Corporate Governance mechanism institutional ownership has an important role, namely in minimizing agency conflicts between shareholders and management (company managers). Husnan and Gurnasih [37] revealed that many companies listed on the Indonesia Stock Exchange whose ownership characteristics are concentrated in institutions. The institution is the owner of a public company in the form of an institution, not the owner on behalf of an individual or private. The majority of institutions are in the form of limited liability companies (PT)

In [19] research there is a positive relationship between institutional ownership and firm value. This indicates that an increase in institutional ownership leads to an increase in firm value, while a decrease in institutional ownership leads to a decrease in firm value. Research conducted by [38] also shows that there is a positive relationship between Institutional Ownership and firm value, which means that the level of institutional ownership has an effect on firm value. Therefore, based on previous research, it can be concluded that there is a positive relationship between institutional ownership and firm value. Thus, the following hypothesis can be formulated:

H1: Good Corporate Governance has a positive effect on firm value

2. The Influence of Corporate Social Responsibility on Company Value

Gray et.al [38] stated that CSR disclosure is a process of communicating the social and environmental impacts of an organization's economic activities to certain groups with an interest in society as a whole. In [36] research there is a positive influence between CSR disclosure and firm value. This indicates that investors in Indonesia have considered CSR disclosure as the basis for investment decisions. Companies that have good social and environmental relationships will foster investor confidence so that they get a positive response by increasing the company's share price.

Research conducted by [19] also shows that there is a positive influence between CSR disclosure on firm value. Broader CSR disclosure carried out by companies will increasingly attract public attention so that it can improve the company's image. Thus, based on the description above, it

can be concluded that there is a positive influence between CSR disclosure and firm value. So that the hypothesis can be formulated as follows:

H2: Corporate Social Responsibility has a positive effect on firm value.

3. The influence of GCG and CSR on Company Value

Research conducted by [23], shows that Good Corporate Governance and CSR Disclosure have a positive effect on firm value. This shows that the implementation of GCG and CSR disclosure can improve a company's reputation. Other research conducted by Setyawan (without years) shows that Good Corporate Governance and Corporate Social Responsibility simultaneously affect firm value. This indicates that in the long term the company has a future and business continuity, so that GCG and CSR programs must be carried out. Therefore, it can be concluded that Good Corporate Governance and Corporate Social Responsibility have a positive influence on firm value. So that the hypothesis can be formulated as follows:

H3: Good Corporate Governance and Corporate Social Responsibility have a positive effect on firm value

III. RESEARCH METHODS

A. Research Design

The form of this research is quantitative hypothesis testing. The purpose of this study was to determine the effect of Good Corporate Governance and Corporate Social Responsibility on Company Value. This research is on BUMN companies listed on the IDX consecutively in the 2014-2018 period and companies that publish complete financial reports and annual reports / sustainability reports.

B. Data Analysis Methods

In this study, the analysis was carried out using panel data which is a combination of time series data and cross section data. This study takes data from many state-owned companies listed on the IDX to be used as research samples. To help analyze the data, this research was conducted using statistical methods assisted by the EVIEWS 10 program.

IV. RESULT OF ANALYSIS AND DISCUSSION

A. Description of Research Object

The object of this research is the state-owned companies listed on the Indonesia Stock Exchange (IDX) during the 2014-2018 period which published financial reports and annual reports / sustainability reports during the research period. BUMN companies listed on the IDX were selected as samples because generally companies listed on the IDX as go public companies provide easy access to financial reports and annual reports / sustainability reports to monitor company performance. Several state-owned companies listed on the IDX are included in the IDX BUMN 20 index. The IDX BUMN 20 index is an index on the Indonesia Stock Exchange whose constituents are 20 stocks selected from BUMN, BUMD, and their affiliates (can be a subsidiary or share ownership by the government).

Based on the population of all state-owned companies listed on the IDX for the 2014-2018 period, this study took a sample with a purposive sampling technique based on certain criteria. Of the 20 state-owned companies listed on the IDX which became the population, all of them met the criteria so that 20 companies were the objects of research.

The results of descriptive statistical calculations can be seen in the following table:

TABLE II: DESCRIPTIVE STATISTICS

Variable	Mean	Median	Maksimum	Minimum	Std. dev
Institutional Ownership	0.681330	0.650000	0.980000	0.510000	0.133786
CSR Disclosure	0.357454	0.360000	0.540000	0.180000	0.066445
PBV	2.958900	1.490000	41.00000	0.170000	5.837871

Source: Processed Data.

Based on Table II the institutional ownership variable has an average value (mean) of 0.681330, which means that the average institutional shareholding in BUMN companies listed on the IDX is 68.14%, the minimum value of institutional ownership variable is 0.51 which means that the lowest institutional share ownership in BUMN companies listed on the IDX it is 51%, while the maximum value of institutional ownership variable is 0.98, which means that institutional share ownership in BUMN companies listed on the IDX is 98%. The CSR disclosure variable has an average (mean) value of 0.357454, which means that in BUMN companies listed on the IDX the average CSR disclosure index is 35.75%, the minimum value for CSR disclosure variables is 0.18, which means that the disclosure index disclosed by BUMN companies those listed on the IDX have the lowest value of 18%, while the maximum value of the CSR disclosure variable is 0.54, which means that the CSR disclosure index disclosed by BUMN companies listed on the IDX has the highest value of 54%.

The PBV variable has an average (mean) value of 2.958900, which means that BUMN companies listed on the IDX have an average PBV value of 2.958900, the minimum PBV variable value is 0.17, which means that BUMN companies listed on the IDX have the lowest PBV value of 0.17, while the maximum value of PBV variable is 41, which means that BUMN companies listed on the IDX have the highest PBV value of 41.

B. Data Analysis

The method of analysis used in this research is panel data regression method. In this study, the data presented has the characteristics of panel data, namely a combination of time series and cross section data. The cross-section data is shown by the number of BUMN companies listed on the IDX which were the objects of research, namely as many as 20 companies, while the time series is shown through the 2014-2018 observation period.

C. Panel Data Regression Estimation Model

1. Common Effect Model

Based on Table III, the regression model testing using the common effect approach shows that the probability result of the p value of the institutional ownership variable is 0.0083 and the t value is 2.694739, which means that because the p value is smaller than α (0.05) thus the institutional ownership

variable has a positive effect. significant to Price to Book Value. Whereas the CSR disclosure variable shows that the probability result of the p value of the CSR disclosure variable is 0.7406 and the t value is -0.331958, which means that because the p value is greater than α (0.05), the CSR disclosure variable has no effect on the Price to Book Value. The table also shows the results of the f test with a p value of 0.024768 and an f value of 3.842857, which means that because the p value is smaller than α (0.05), the variables of institutional ownership and CSR disclosure simultaneously have a positive effect on the Price to Book Value. Furthermore, the adjusted R Squared value from the table is 0.054312, which means that the joint contribution of institutional ownership and CSR disclosure to the Price to Book Value is 5.43% and the rest is influenced by other factors.

TABLE III: COMMON EFFECT METHOD REGRESSION RESULTS

Method: Panel Least Squares

Date: 05/23/19 Time: 15:02

Sample: 2014 2018

Periods included: 5

Cross-sections included: 20

Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.899326	4.532919	-0.860224	0.3918
X1	11.57177	4.294207	2.694739	0.0083
X2	-2.870216	8.646315	-0.331958	0.7406
R-squared	0.073417	Mean dependent var		2.958900
Adjusted R-squared	0.054312	S.D. dependent var		5.837871
S.E. of regression	5.677124	Akaike info criterion		6.340307
Sum squared resid	3126.284	Schwarz criterion		6.418462
Log likelihood	-314.0154	Hannan-Quinn criter.		6.371938
F-statistic	3.842857	Durbin-Watson stat		0.362835
Prob(F-statistic)	0.024768			

Source: Processed Data

Information:

X1 = Institutional Ownership

X2 = CSR Disclosure

Y = Price to Book Value

2. Fixed Effect Model

TABLE IV: FIXED EFFECT METHOD REGRESSION RESULTS

Dependent Variable: Y

Method: Panel Least Squares

Date: 05/23/19 Time: 15:02

Sample: 2014 2018

Periods included: 5

Cross-sections included: 20

Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-51.34877	18.32049	-2.802806	0.0064
X1	78.24730	27.03717	2.894064	0.0049
X2	2.784749	8.839840	0.315023	0.7536

Effects Specification

Cross-section fixed (dummy variables)			
R-squared	0.586720	Mean dependent var	2.958900
Adjusted R-squared	0.475452	S.D. dependent var	5.837871
S.E. of regression	4.228118	Akaike info criterion	5.912930
Sum squared resid	1394.405	Schwarz criterion	6.486067
Log likelihood	-273.6465	Hannan-Quinn criter.	6.144889
F-statistic	5.273042	Durbin-Watson stat	0.932121
Prob(F-statistic)	0.000000		

Source: Processed Data.

Based on Table IV, the regression model testing using the fixed effect approach shows that the probability result of the p value of the institutional ownership variable is 0.0049 and the t value is 2.894064, which means that because the p value is smaller than α (0.05), thus the institutional ownership variable has a positive effect. significant to Price to Book Value. Whereas the CSR disclosure variable shows that the probability result of the p value of the CSR disclosure variable is 0.7536 and the t value is 0.315023, which means that because the p value is greater than α (0.05), the CSR disclosure variable has no effect on the Price to Book Value. The results in the table also show the results of the f test with a p value of 0.000000 and an f value of 5.273042, which means that because the p value is smaller than α (0.05), the variables of institutional ownership and CSR disclosure simultaneously have a positive effect on the Price to Book Value. Furthermore, the adjusted R Squared value from the table is 0.475452, which means that the joint contribution of institutional ownership and CSR disclosure to the Price to Book Value is 47.55% and the rest is influenced by other factors.

3. Random Effect Model

TABLE V: REGRESSION RESULTS WITH RANDOM EFFECT METHOD

Dependent Variable: Y

Method: Panel EGLS (Cross-section random effects)

Date: 05/23/19 Time: 15:02

Sample: 2014 2018

Periods included: 5

Cross-sections included: 20

Total panel (balanced) observations: 100

Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8.751888	5.794090	-1.510485	0.1342
X1	15.60511	7.054264	2.212152	0.0293
X2	3.017339	8.122780	0.371466	0.7111

Effects Specification

	S.D.	Rho
Cross-section random	3.882211	0.4574
Idiosyncratic random	4.228118	0.5426

Weighted Statistics

R-squared	0.046768	Mean dependent var	1.295652
Adjusted R-squared	0.027114	S.D. dependent var	4.382442
S.E. of regression	4.322622	Sum squared resid	1812.451
F-statistic	2.379533	Durbin-Watson stat	0.641138
Prob(F-statistic)	0.097979		

Unweighted Statistics

R-squared	0.061830	Mean dependent var	2.958900
Sum squared resid	3165.378	Durbin-Watson stat	0.367107

Source: Processed Data.

Based on Table V, testing the regression model using the fixed effect approach, shows that the probability result of the p value of the institutional ownership variable is 0.0293 and the t value is 2.212152, which means that because the p value is smaller than α (0.05) thus the institutional ownership variable has a positive effect. significant to Price to Book Value. Whereas the CSR disclosure variable shows that the probability result of the p value of the CSR disclosure variable is 0.7111 and the t value is 0.371466, which means that because the p value is greater than α (0.05), thus the CSR disclosure variable has no effect on the Price to Book Value. The results in the table also show the results of the f test with a p value of 0.097979 and an f value of 2.379533, which

means that because the p value is greater than α (0.05), the variables of institutional ownership and CSR disclosure simultaneously have no effect on Price to Book Value.

D. Panel Data Regression Testing

TABLE VI: CHOW TEST RESULTS

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	5.098821	(19,78)	0.0000
Cross-section Chi-square	80.737752	19	0.0000

Cross-section fixed effects test equation:

Dependent Variable: Y
Method: Panel Least Squares
Date: 05/23/19 Time: 15:05
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.899326	4.532919	-0.860224	0.3918
X1	11.57177	4.294207	2.694739	0.0083
X2	-2.870216	8.646315	-0.331958	0.7406

R-squared	0.073417	Mean dependent var	2.958900
Adjusted R-squared	0.054312	S.D. dependent var	5.837871
S.E. of regression	5.677124	Akaike info criterion	6.340307
Sum squared resid	3126.284	Schwarz criterion	6.418462
Log likelihood	-314.0154	Hannan-Quinn criter.	6.371938
F-statistic	3.842857	Durbin-Watson stat	0.362835
Prob(F-statistic)	0.024768		

Source: Processed Data.

TABLE VII: HAUSMAN TEST RESULTS

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.384580	2	0.0411

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var (Diff.)	Prob.
X1	78.247304	15.605106	681.246006	0.0164
X2	2.784749	3.017339	12.163225	0.9468

Cross-section random effects test equation:

Dependent Variable: Y
Method: Panel Least Squares
Date: 05/23/19 Time: 15:11
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-51.34877	18.32049	-2.802806	0.0064
X1	78.24730	27.03717	2.894064	0.0049
X2	2.784749	8.839840	0.315023	0.7536

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.586720	Mean dependent var	2.958900
Adjusted R-squared	0.475452	S.D. dependent var	5.837871
S.E. of regression	4.228118	Akaike info criterion	5.912930
Sum squared resid	1394.405	Schwarz criterion	6.486067
Log likelihood	-273.6465	Hannan-Quinn criter.	6.144889
F-statistic	5.273042	Durbin-Watson stat	0.932121
Prob(F-statistic)	0.000000		

Source: Processed Data.

Based on Table VI, the p value of the cross-section F is 0.0000 and the p value of the chi-square cross section is

0.0000. Thus, because the probability F value is smaller than α (0.05), H_a is accepted and H_0 is rejected. So, it can be concluded that the test results indicate that the panel data regression model in this study is more appropriate to use the fixed effect model. Further testing is conducted to determine whether the panel data regression model uses a fixed effect model or a random effect with the Hausman test.

Based on Table VII, the results of the Hausman test show that the p value of Chi-Square is 0.0411, which means that because the p value is smaller than α (0.05), it can be concluded that H_a is accepted and H_0 is rejected, so the right model for this study is to use the model. fixed effect.

E. Result of Selection of Panel Data Regression Approach Method

Classic assumption test

a. Normality Test

The results of the normality test in this study using the Eviews 10 software are as follows:

Fig. 1. Normality Test. Source: Processed Data.

Based on Fig. 1 after the log transformation on the data, the results show that the probability value of jarque-bera is 0.095679 which means that because the significance value of jarque-bera is greater than 0.05, H_0 is accepted so that the panel regression data is normally distributed.

b. Multicollinearity Test

The results of the multicollinearity test in this study using the Eviews 10 software are as follows:

TABLE VIII: MULTICOLLINEARITY TEST

	X1	X2
X1	1.000000	-0.116823
X2	-0.116823	1.000000

Source: Processed Data.

Information::

X1 = Institutional Ownership

X2 = CSR Disclosur

Based on Table VIII, the multicollinearity test results show that the correlation value of each independent variable does not exceed 0.8, so it can be concluded that there are no symptoms of multicollinearity in the regression model in this study.

c. Heterocedasticity Test

The results of the heteroscedasticity test in this study using the Eviews 10 software are as follows:

Based on Table IX, the heteroscedasticity test results show that the probability value of the institutional ownership variable is 0.0629 and the CSR disclosure variable is 0.1584, which means that the two variables have a probability value

of t above 0.05, therefore it can be concluded that there are no symptoms of heteroscedasticity in the regression model in this study.

TABLE IX: HETEROSCEDASTICITY TEST RESULT

Dependent Variable: RESABS
Method: Panel Least Squares
Date: 05/26/19 Time: 12:03
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100
Cross-section SUR (PCSE) standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-17.10579	11.71665	-1.459957	0.1483
X1	30.24905	16.03401	1.886555	0.0629
X2	-5.001115	3.511467	-1.424224	0.1584

Effects Specification

Source: Processed Data.

d. Hypothesis testing

1. Partial Test (t test)

TABLE X: PARTIAL TEST (T TEST) RESULT

Dependent Variable: Y
Method: Panel Least Squares
Date: 05/23/19 Time: 15:02
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-51.34877	18.32049	-2.802806	0.0064
X1	78.24730	27.03717	2.894064	0.0049
X2	2.784749	8.839840	0.315023	0.7536

Source: Processed Data.

Based on the results of the t test in Table X, it can be interpreted as follows:

a) Institutional Ownership

In the Good Corporate Governance variable, which is proxied by institutional ownership, based on table 10 the results show that the p value is 0.0049 and the t value is 2.894064. These results indicate that because the p -value of the variable is less than 0.05 and the t -value is 2.894064, it can be concluded that Good Corporate Governance, which is proxied by institutional ownership, has a significant positive effect on firm value. Thus, if institutional ownership increases, company value will also increase.

b. CSR disclosure

In the Corporate Social Responsibility variable, which is proxied by using CSR disclosure, based on table 10, the results show that the t value is -0.331958 and the p value is 0.7406. This indicates that because the p value of 0.7406 is greater than 0.05, it can be concluded that Corporate Social Responsibility, which is proxied by using CSR disclosure, has no effect on firm value as proxied by PBV.

F. Simultaneous Test (F test)

The criteria used in decision making are as follows:

a) Probability (F-Statistics) < 5%, then H_0 is rejected, and H_a is accepted, meaning that there is an influence between the independent variable and the independent variable with the dependent variable.

b) Probability (F-Statistics) > 5%, then H_0 is accepted, and H_a is rejected, meaning that there is no influence between the

independent variable and the independent variable with the dependent variable.

The following is the result of the t test using eviews 10:

TABLE I : F TEST RESULT

Dependent Variable: Y
Method: Panel Least Squares
Date: 05/23/19 Time: 15:02
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob
R-squared	0.586720	Mean dependent var		2.958900
Adjusted R-squared	0.475452	S.D. dependent var		5.837871
S.E. of regression	4.228118	Akaike info criterion		5.912930
Sum squared resid	1394.405	Schwarz criterion		6.486067
Log likelihood	-273.6465	Hannan-Quinn criter.		6.144889
F-statistic	5.273042	Durbin-Watson stat		0.932121
Prob(F-statistic)	0.000000			

Source: Processed Data.

Based on Table XI, the F test results show that the calculated F value is 5.273042 and the p value is 0.000000. Thus, because the p value of 0.000000 is less than 0.05, it can be concluded that Good Corporate Governance and Corporate Social Responsibility together have a positive effect on firm value.

G. Coefficient of Determination (R^2)

The following are the results of the determination coefficient test using Eviews 10:

TABLE XII: COEFFICIENT OF DETERMINATION (R^2) TEST RESULT

Dependent Variable: Y
Method: Panel Least Squares
Date: 05/23/19 Time: 15:02
Sample: 2014 2018
Periods included: 5
Cross-sections included: 20
Total panel (balanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
R-squared	0.586720	Mean dependent var		2.958900
Adjusted R-squared	0.475452	S.D. dependent var		5.837871
S.E. of regression	4.228118	Akaike info criterion		5.912930
Sum squared resid	1394.405	Schwarz criterion		6.486067
Log likelihood	-273.6465	Hannan-Quinn criter.		6.144889
F-statistic	5.273042	Durbin-Watson stat		0.932121
Prob(F-statistic)	0.000000			

Source: Processed Data.

Based on Table XII, the results show that the adjusted R-squared value is 0.475452. Thus, it can be said that the contribution or influence of Good Corporate Governance which is proxied by institutional ownership and Corporate Social Responsibility which is proxied by the joint disclosure of CSR to firm value is 47.55 %, while the rest is influenced by other factors.

H. Interpretation of Results

The regression analysis in this study is to determine whether there is an influence between the independent variable Good Corporate Governance which is proxied by institutional ownership and Corporate Social Responsibility which is proxied by CSR disclosure on firm value as proxied by PBV. Based on the t hypothesis test in this study, the results show that the variable Good Corporate Governance which is proxied by institutional ownership H_0 is rejected and H_a is accepted, so it can be concluded that institutional

ownership partially affects PBV. Whereas in the Corporate Social Responsibility variable, which is proxied by CSR disclosure, the t test results show that H0 is accepted, and Ha is rejected, so it can be concluded that CSR disclosure partially has no effect on PBV. In the simultaneous test (F test), the results show that H0 is rejected, and Ha is accepted so that it can be concluded that institutional ownership and CSR disclosure have an effect on PBV. Based on table 4.4 the regression equation with the Fixed Effect model is as follows:

$$PBV = -51.34877 + 78.24730 * X_1 + 2.784749 * X_2$$

The explanation of this equation is as follows:

1. The constant coefficient value is -51.34877 indicating that, if the independent variables, namely institutional ownership, and CSR disclosure, are considered zero, then the PBV value of BUMN companies listed on the IDX for the 2014-2018 period is -51.34877.

2. The coefficient value on the institutional ownership variable is 78,24730 and is positive, indicating that, if institutional ownership increases by 1 unit, assuming the value of other independent variables is considered constant, the PBV value will increase by 78,24730.

3. The coefficient value on the CSR disclosure variable is 2.784749 and is positive, indicating that, if the CSR disclosure has increased by 1 unit, assuming the value of other independent variables is considered constant, the PBV value will increase by 2.784749.

1. Discussion of Research Results

Research on the effect of Good Corporate Governance, which is proxied by institutional ownership and Corporate Social Responsibility, which is proxied by CSR disclosure on company value proxied by PBV in BUMN companies listed on the IDX for the 2014-2018 period has been carried out. All hypotheses have been processed with panel data regression using eviews 10. The explanation is as follows:

a. The Effect of Institutional Ownership on PBV

Based on the results of multiple regression analysis with a significance level of $\alpha = 5\%$ (0.05) in Table IV, the results show that the t value is 2.894064 and the p value or significance of institutional ownership on PBV is 0.0049. This value is smaller than $\alpha = 5\%$. Therefore, it can be concluded that institutional ownership has a statistically significant effect on firm value. This also indicates that the first hypothesis in this study is accepted.

The results of this study are in line with the results of research by [36] which show a positive influence between institutional ownership on firm value. Increasing institutional ownership will be able to pressure management to improve its performance in accordance with GCG practices.

Meanwhile, this research is not in line with the research of [29] which shows that institutional ownership has no effect on firm value. In this study, institutional ownership has no effect on firm value, possibly due to the small number of institutional ownerships in the company under study so that institutional ownership will not affect the level of decision making by management.

b. The Effect of CSR Disclosure on PBV

Based on the results of multiple regression analysis with a significance level of $\alpha = 5\%$ (0.05) in Table IV, the results

show on firm value. This also indicates that the second hypothesis in this study is rejected.

The results of that the t value are 0.315023 and the p value or significance of institutional ownership on PBV is 0.7536. This value is greater than $\alpha = 5\%$. Therefore, it can be concluded that CSR disclosure does not statistically have a significant effect this study is in line with the research of [34] which shows that there is no influence between CSR and firm value. The study explains that, there are indications that investors do not need to look at CSR disclosures made by companies because there are guarantees stated in the Limited Liability Company Law No. 40 of 2007, that the company must carry out CSR and disclose it, because if the company does not implement CSR, then the company will be subject to sanctions in accordance with the laws and regulations so that CSR disclosure is deemed not to have an influence on company value.

The results of this study are not in line with [18] research which states that Corporate Social Responsibility affects firm value. The study explains that, by carrying out legal responsibility in the environmental sector by carrying out obligations in complying with environmental protection laws, the company will be responded positively by investors because the image of the company increases and will certainly increase the value of the company.

c. The effect of GCG and CSR on PBV

Based on the results of multiple regression analysis with a significance level of $\alpha = 5\%$ (0.05) in Table IV, the results show that the calculated F value is 5.273042 and the p value or significance of the F statistic or the F test is 0.00000. This value is smaller than $\alpha = 5\%$. Therefore, it can be concluded that institutional ownership as a proxy for Good Corporate Governance and CSR disclosure which is a proxy for Corporate Social Responsibility together have a positive effect on firm value. This also indicates that the third hypothesis in this study is accepted.

The results of this study are in line with the research results of [23] which state that Good Corporate Governance and CSR disclosure together have an effect on firm value.

V. CONCLUSION

1. Good Corporate Governance, which is proxied by institutional ownership, has a significant positive effect on firm value. This indicates that, as institutional ownership increases, the company's PBV will also increase.
2. Corporate Social Responsibility as proxied by CSR disclosure has no effect on firm value.
3. Good Corporate Governance and Corporate Social Responsibility together have a positive effect on company value.

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