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The Effect of Stakeholder Power and Profitability on Firm Value with Corporate Social Responsibility Disclosure as a Moderation Variable

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Abstract

The purpose of this study is to examine the effect of stakeholder power and profitability on firm value with corporate social responsibility disclosure as a moderation variable. The populations of this study were SRI-KEHATI Index listed in BEI in period 2013 – 2017. Samples were determined by purposive sampling method with 18 samples. The result has shown that: 1). Government power had no significant effect on firm value, 2). Creditor power had no significant effect on firm value, 3) Profitability had significant effect on firm value, 4) Corporate social responsibility (CSR) disclosure as a moderating variable are not able to moderate the effect of government power and firm value, 5) Corporate social responsibility (CSR) disclosure as a moderating variable are not able to moderate the effect of creditor power and firm value, 6) Corporate social responsibility (CSR) disclosure as a moderating variable are not able to moderate the effect of profitability and firm value.

Keywords: Firm Value, Stakeholder Power, Profitability, Corporate Social Responsibility Disclosure.

INTRODUCTION

Firm value is an investor perception of the company level success that is closely related to its share price [1]. The increase of firm value that is easily visible from the external one is the growth of the stock market [2]. The higher of firm value then prosperity shareholder will increase [3]. High stock prices make the firm value too high; it can increase market confidence in the performance of the company's current and future [4]. The phenomenon that occurred in this study period was there the movement of SRI-Kehati Index stock prices, not all companies have increased the price of its shares, approximately 72% of these companies has fluctuated, 6% decline, and only 22% of firms experienced an increase (Appendix 2). As is well known that companies listed on the SRI-Kehati Index is a company with an indicator or reflection stock price movements that guide the investor to share in issuers that have a very good performance [5]. Another phenomenon that occurred during the study period was the firm value on SRI-Kehati Index as measured using the Price to Book Value (PBV) was found to have overvalued through the whole period. About 50% of companies in each year topped PBV values above 1. Only a minority companies on SRI-Kehati Index that has a value below 1. The company will think twice if it will carry out unethical activities that will make investors withdraw their investment, for example, causing environmental damage or pollution (Dewi, 2018).

From the above phenomenon can be said that although the firm value is important for the company because it is the underlying reason for the investors to invest in companies that we run, but in this time investors no longer think about how to creates the products and services to achieve maximum profit, but beyond that the company should focus on long-term goals with regard to the interests of stakeholders [2]. Stakeholders that will be examined in this study is the government power and creditor power [6]. The structure of government ownership interesting in this study because during the study period, there are around 44% government-owned companies (BUMN) who survives on SRI-Kehati Index during the period 2013-2017. This illustrates that the government's ownership structure is quite dominating companies in the SRI-Kehati Index during the study period.

Besides the power of the government, the power of the creditor (creditor power) where financial leverage is also an important factor in increasing the firm value, because the firm value is the market value of a company's equity plus the market value of debt [7].

Financial leverage is a decision regarding the optimal combination of the use various sources of funds to be used to finance investment and also to support the company's operations in order to increase its profit and achieve a high enterprise value [8].

The firm value can be also influenced by the size of profitability that resulting by the company [9]. A company's operating activities can continue must be in a favorable condition (profitable). High profitability can be a way of communicating information to the public. The better the company's profitability growth means the better company's future prospects, meaning that the firm value will also be judged the better in the eyes of investors. If the company's ability to generate income increases, the share price will also increase [10].

Literature review, framework and hypotheses

Literature Review

The Agency Theory

This theory was first developed by Michael C. Jensen and William H. Meckling in 1976. According to Jensen and Meckling [11] the agency relationship is a relationship in which the owner of the company (principle) entrust the management of the company by others that the manager (agent) in accordance with interests of the owner (principle) by delegating some decision-making authority to the manager (agent).

If related to this study, the agency theory with principal-agent problem in the separation of ownership and control in the company. The ownership structure is a wide variety of patterns and forms of ownership of a company or the percentage ownership of shares owned by shareholders of both internal and external shareholders [11]. In addition, the role of the creditors has significance in monitoring the management because it will boost the optimum supervision [12]. A high level of supervision that will minimize fraud committed by management that may affect the firm value [13].

Stakeholder Theory

Stakeholder theory emerged in the mid-1980s by R. Edward Freeman. Stakeholder theory capable of explaining the difference between the company's relationships with its stakeholders. Stakeholders can basically control or have the ability to affect the use of economic resources used by the company. Therefore the power of stakeholders is determined by size of the power possessed stakeholders on the source [14].

Relationship variables of this research with stakeholder theory, the bigger a company, the more parties that would be part of the company's stakeholders, so that the company will increase in terms of investment. Companies with higher profit, then the shareholders will invest in the company, so the company is regarded by both the investor. In addition to high the profitability, companies also have to consider the source of funding from creditors. Companies that have sources of external funding, then their responsibilities to creditor's increases. So based on stakeholder theory, stakeholders have the authority to influence the management in the process of exploiting the full potential of the organization,

CSR has become one of the means to ensure sustainability for the company. Social and environmental consequences that exist for the present and the future has become one of the new considerations factor in making investment decisions by investors other than financial factors. CSR can be the one way to increase firm value, and it will be reflected in an increase the share price as an investor reaction after the announcement is received and to get the legitimacy of the public. CSR within in a company is seen as one important indicator of the company's performance disclosure in order to increase the firm value [15].

Government Power

According Wardiyah [16], government is the authority to make regulations and legislation. The government is obliged to protect the rights of people who are related, either directly or indirectly with the company. Workers, consumers and the natural or social environment are the parties that must be protected interests by the government against the consequences caused by the activity of the company.

Creditor Power

Wardiyah [16] defines a creditor as the users of financial statements of companies are using the financial statements as a tool in making credit decisions.

Profitability

Fahmi [17] that define profitability as a ratio that showing the company's success in generating profits.

Corporate Social Responsibility

According to the Undang-undang Republik Indonesia Number 40 of 2007 regarding Perseroan Terbatas, social and environmental responsibility is a commitment of the company to participate in the sustainable economic development to improve the quality of life and environment is beneficial, both for the company itself, the local community and society in general.

Firm Value

The firm value is a measure the company's success due to the increasing value of companies means increased prosperity also the owner of the company or shareholders of the company [18].

Framework

The Effect of Government Power on Firm Value

The Government as the largest shareholder in a company, through the issuance of regulations and policies that will provide protection to the state-owned enterprises listed on the Indonesia Stock Exchange. These companies are a profitable company whose shares are offered to the public. Therefore, the ownership of the government will raise the company's share price will ultimately impact on the firm value [19].

Research on government power positive effect on firm value demonstrated by the results of research conducted by Lakshitarukmi [20] and Diyanti [21].

The Effect of Creditor Power on Firm Value

Creditors had a control to access the financial resources that may be necessary for the continued operation of a company. Funding decisions is a part of the stakeholder's strategy and therefore creditors are important stakeholders who are its influence must be managed. It follows a higher level which the company relies on debt financing to fund capital projects [22]. Creditor has significance role in monitoring the management because it will boost the optimum supervision [12]. A high level of supervision that will minimize fraud committed by management that may affect the firm value [13].

Research on the financial leverage and firm value demonstrated by the results of research conducted by Ishari & Abeyrathna [23], Ramadan [24] which showed that financial leverage has a significant positive effect on firm value.

The Effect of Profitability on Firm Value

Investors in the capital market was very attentive to the company's ability to generate, support, and increase profits. The statement was reinforced by Ulupuli [25] which states that the firm value is determined by the earning power of the assets of the company.

According to the stakeholder theory, stakeholders have the authority to influence the management in the process of exploiting the full potential of the organization, because with good management and a maximum over the entire resource is this organization will be able to create value added to later encourage the financial performance and the firm value is an orientation stakeholders in the management intervenes [26].

Research on the profitability of the firm value indicated by the results of research conducted by Ayu and Suarjaya [27] which showed that the profitability of a significant effect on the firm value.

The Effect of Government Power on Firm Value with Corporate Social Responsibility Disclosure as a Moderation Variable

Ioannou and Serafeim [21] stated that in stakeholder's theory, Corporate Social Responsibility strategy will lead to a better performance by protecting and enhancing the reputation and firm value. The concept of stakeholders recognizes the government's ability to impact the company's strategy and performance. According to Alma [28], in the presence of government ownership in a public company, pushing the company's management to apply certain policies one support to preserve the environment even in increasing the firm value. The government's policy on the environment is supported by Undang-undang No. 32 of 2009 on the protection and management of the environment.

The role of CSR in the moderate government power against the firm value is connected through several studies. Akrout and Ohtman study [29] showed that government power has an influence on CSR disclosure. In addition, research Diyanti [19] and Lakshitarukmi [26] results show that the government ownership affects the firm value. As well, research Dianawati and Fuadati [30] showed that corporate social responsibility has a significant positive effect on the firm value in Indonesia.

The Effect of Creditor Power on Firm Value with Corporate Social Responsibility Disclosure as a Moderation Variable

High and low levels of leverage in a company are an instrument for measuring the company's ability to meet its financial obligations consisting of short-term debt and long-term debt. The lower this ratio, investors will be more interested to invest in the company. The impact of corporate social responsibility as the moderating variable is expected to increase the company's share price [31].

Sembiring [32] stated that although the level of debt held by these companies is high, but there is a good relationship between the company and debtholders and able to provide a good company's social information then the company is believed to be able to increase the firm value despite having a degree is a high dependence on debt.

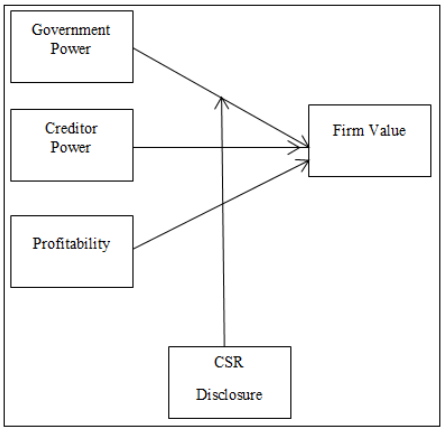
The role of CSR in the moderate leverage to the firm value indicated by the results of research that conducted by Wulandari and Wiksuana [33] which shows that leverage positive effect on the value of the company and CSR is able to strengthen the leverage effect on firm value.

The Effect of Profitability on Firm Value with Corporate Social Responsibility Disclosure as a Moderation Variable

Companies with high profitability will be more active in disclosing information about CSR activities as a form of corporate responsibility to stakeholders [34]. Companies must fulfill these responsibilities so that stakeholder support all the activities carried out in order to increase the firm value.

The role of the relationship of CSR in moderate profitability to the firm value is indicated by the results of research conducted by Wijaya [2], Pramana and Mustanda [35], Wulandari and Wiksuana [33] and Emezy [36] which shows that profitability has a positive effect on firm value and CSR disclosure is able to strengthen the relationship between profitability and firm value.

Based on the previous description above, the model in this study can be illustrated in figure 2.1 framework as follows:



Picture-1: Framework

Hypothesis

Based on the above framework, the hypothesis in this study is as follows:

H1: Government power affect on firm value.
H2: Creditor power affect on firm value.
H3: Profitability affect on firm value
H4: Corporate Social Responsibility Disclosure moderates the effect of government power and firm value.
H5: Corporate Social Responsibility Disclosure moderates the effect of creditor power and firm value.
H6: Corporate Social Responsibility Disclosure moderates the effect of profitability and firm value.

RESEARCH DESIGN AND METHODS

Types of Research

Design of this research is causal. Causal design is a study design which researchers wanted to find the cause of one or more problems, namely among the effect of stakeholders power and profitability on firm value that is moderated by the corporate social responsibility disclosure [37].

Definition and Measurement Operationalization Variable Variable

Dependent Variable (Y)

The dependent variable that used in this study is firm value. Firm value is a measure of the success of a company because with the increase in the firm value it means increasing the prosperity of the owner of the company or shareholders of the company [18]. The company's value is proxied by PBV [38-40], PBV calculation formula can be calculatedas follows:

$$\textbf{PBV} = \frac{\textbf{Stock price}}{\textbf{Book Value Shares}}$$

The share price in the formula is the closing share price on December 31, while the book value in the formula describes the ratio of total equity to the number of shares outstanding by the following formula:

$$\text{Book value of shares} = \frac{\text{Total Equity}}{\text{Number of Outstanding Shares}}$$

Independent Variables (X)

The independent variables in this study are as follows:

Government Power

Government power in this study was measured by government ownership structure (Alfaraih [40], Lifei Mao [36], Diyanti [19] and Nhan & Ha [41], Government ownership structure calculation formula can be calculated as follows:

$$\textit{Government Ownership} = \frac{\textit{Total Shares Owned by Governments}}{\textit{Total Outstanding Shares}} \times 100\%$$

Creditor Power

Creditors in this study were measured by leverage [42] and Rachman, Rahayu and Topowijono [43], the formula for the calculation of the leverage ratio is as follows:

$$\textbf{\textit{Debt to Equity Ratio}} = \frac{\textit{Total Liability}}{\textit{Total Equity}} \times 100\%$$

Profitability

Profitability in this study was measured by Return on Assets [27], Munawaroh and Priyadi [44], calculation formula *Return on Assets* can be calculated as follows:

$$\textbf{\textit{Return on Assets}} = \frac{\textit{Earning after Tax}}{\textit{Total Assets}} \times 100\%$$

Variable Moderation

Moderating variable in this study is the corporate social responsibility disclosure. CSR is measured based on indicators of GRI (Global Reporting Initiatives) obtained from the website www.globalreporting.org. GRI indicator consists of three focus disclosures; there are economic, environmental, social and sustainability reporting as a basis. This approach is basically using dichotomous approach that every item of CSR in the research instrument rated 1 if disclosed, and 0 otherwise disclosed. Furthermore, the score of each item is summed to obtain the overall score for each company. CSRDI calculation formula is as follows:

$$\textbf{CSRD} = \frac{\textbf{n}}{\textbf{91}}$$

Where:
CSRD = Index Company CSR
N = Number of items to be disclosed
91 = Number of items expected

Population and Sample

The population in this study is a company registered in SRI-Kehati Index Indonesia Stock Exchange (BEI) in the period 2013-2017.

Sampling was done by purposive sampling method. Purposive sampling is a sampling technique with consideration or criteria.

Data Collection Techniques

The data used in this study is the annual report and financial statements of the company SRI-Kehati index by the end of the financial year on December 31 during the period 2013-2017. Sources of data in this study were obtained through the site owned by the Indonesian Stock Exchange (BEI).

Data Analysis Methods

The analytical tool used in this research is multiple linear regression analysis using SPSS (Statistical Pakage for Social Science) version 24.0. The regression model in this study can be written in the form of the following equation:

$$\mathbf{PBVit + 1 = \beta 0 + \beta 1GOit + \beta 2DERit + \beta 3ROAit + \beta 4 \mid ZGO - ZCSRD \mid it + \beta 5 \mid ZDER - ZCSRD \mid it + \beta 6 \mid ZROA - ZCSRD \mid it + \varepsilon it}$$

Where:
β0 = constant
β1, - β7 = Regression Coefficients
PBV = *Price to Book Value*
GO = The ownership structure of government i in year t
DER = *Debt to Equity Ratio* firm i in year t
ROA = *Return on Assets* firm i in year t
| ZGO - ZCSRD | = Interaction between government ownership structure with corporate social responsibility i in year t
| ZDER - ZCSRD | = Interaction between the debt to equity ratio with corporate social responsibility i in year t
| ZROA - ZCSRD | = Interaction between ROA with corporate social responsibility i in year t
ε =Residual or prediction error

RESULTS AND DISCUSSION

Description of Research Object

Based on data obtained from the official website of Indonesia Stock Exchange or http://www.idx.co.id note that the company's SRI-Kehati Index that qualify in purposive sampling acquired 18 companies that can be sampled in this study during 5 years of observation, in order to obtain as much as 18 x 5 = 90 years of data firm observation.

Classical Assumption Test and Quality Research Instruments
Descriptive Statistics

Table-4.1: Descriptive Statistics Test Results

Descriptive Statistics					
	N	**Minimum**	**maximum**	**mean**	**Std. deviation**
PBV	90	.64	82.45	5.70	13.81
ROA	90	1:00	53.70	8.94	9:33
DER	90	.03	679.50	101.18	168.37
GO	90	.00	89.86	25.44	29.75
CSRD	90	.15	.93	.46	.13
Valid N (listwise)	90				

Source: Data processed by SPSS 24 (2018)

Government Power variables measured by Government Ownership (GO) have a range of values from 0 to 89.86. The average value of GO in the sample company is 25.4468 and the standard deviation value is 29.75048. This indicates that the standard deviation value of the sample company is greater than the average value and can be interpreted that the distribution of data varies so that the data is worthy of investigation.

Variable Power Creditor as measured by Debt to Equity Ratio (DER) has a range of values from 0.30 to 679.50. The lowest DER value is owned by United Tractors Tbk (UNTR) in 2016. While the highest DER value is owned by Bank Central Asia Tbk (BBCA) in 2013. The results of descriptive statistical data processing indicate that the average DER value is smaller than the standard deviation which means that the research data varies.

Variable profitability measured by using Return on Assets (ROA) has a value range from 1.00 until 53.70. Lowest ROA value owned by Timah (Persero) Tbk (TINS) in 2015. While the value of the highest ROA is owned by PT. Unilever Indonesia Tbk in 2013. The average value of ROA in the sample companies was 8.9413 and the standard deviation is 9.33965. The average value is smaller than the standard deviation value which means the data samples vary between companies.

Variable firm value measured by Price to Book Value (PBV) has a range of values from 0.64 to 82.45. Lowest PBV value owned by Timah (Persero) Tbk (TINS) in 2015. While highest value of PBV is owned by PT. Unilever Indonesia Tbk in 2017. This PBV research data vary as standard deviation greater than the average value.

Variable Corporate Social Responsibility Disclosure (CSRD) has a value range from 0.15 to 0.93. Lowest CSRD value owned by PT. Unilever Tbk (UNVR). While the highest value of CSRD owned by PT. Timah (Persero) Tbk in 2017. The average value CSRD in research are 0.4604 and 0.1043 standard deviation value which means the distribution of the data does not vary.

Classical Assumption Test
Normality Test

Table-2.1: Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Residual unstandardized
N		82
Normal Parametersa, b	mean	.0000000
	Std. deviation	1.07916459
Most Extreme Differences	Absolute	.086
	positive	.086
	negative	-.075
Test Statistic		.086
Asymp. Sig. (2-tailed)		.200c, d
a. Test distribution is Normal.		
b. Calculated from data.		
c. Significance Lilliefors Correction.		
d. This is a lower bound of the true significance.		

Source: Data processed by SPSS 24 (2018)

From the output above it can be seen that the value model Asymp. Sig. (2tailed) = 0.200, then according to the provisions of 0.200 > 0.05, the residual value is normal. Then the data on the model is normally distributed and decent regression models for further testing.

Heterokedastisity Test

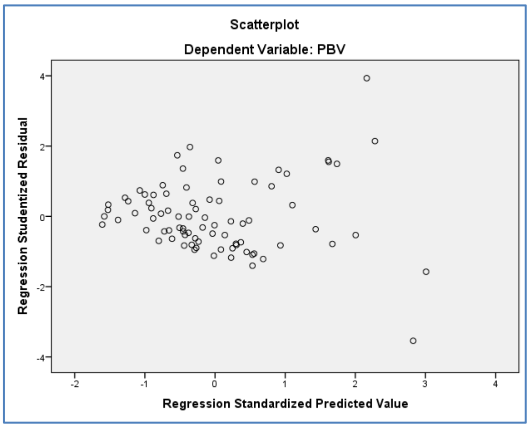


Fig-2.2: Heterokedastisity Test Result
Source: Data processed by SPSS 24 (2018)

Multicoloniarity Test

Table-2.3: Multicoloniarity Test Result

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.41	.40		1.02	.31		
	GO	.00	.00	.13	1.41	.16	.84	1.17
	DER	.00	.00	.17	1.38	.17	.44	2.26
	ROA	.24	.03	.70	7.68	.00	.87	1.14
	GO_ CSRD	.21	.21	.08	.97	.33	.91	1.09
	DER_CSRD	-.26	.28	-.13	-.90	.36	.33	2.99
	ROA_CSRD	.03	.24	.01	.13	.89	.54	1.82
a. Dependent Variable: PBV								

Source: Data processed by SPSS 24 (2018)

Multicoloniarity test views of the value of tolerance and VIF (variance inflation vector, if the value of tolerance > 0.01 or VIF < 10 it means that does not happen multicoloniarity. In this study, all variables showed tolerance values > 0.01 or VIF less than 10. Then it can be concluded that there is no multicoloniarity symptoms on regression model, so that used as predictors.

Autocorrelation Test

Table-2.4: Autocorrelation Test Results

Runs Test	
	Residual unstandardized
Test Valuea	-.14051
Cases <Test Value	41
Cases> = Test Value	41
total Cases	82
Number of Runs	41
Z	-.222
Asymp. Sig. (2-tailed)	.824
a. median	

Source: Data processed by SPSS 24 (2018)

Table 2.4 above shows that the value Asymp. Sig (2-tailed) showed 0824, where the results of > 0.05, which means that there are no symptoms of autocorrelation.

Goodness of Fit Test
Statistic F Test

Table-3.1: Statistics F Test Result

ANOVAa						
Model		Sum of Squares	df	mean Square	F	Sig.
1	Regression	76.58	6	12.76	10.14	.000b
	residual	94.33	75	1:25		
	Total	170.9	81			
a. Dependent Variable: PBV						
b. Predictors: (Constant), ROA_CSRD, GO_CSRD, DER, ROA, GO, DER_CSRD						

Source: Data processed by SPSS 24 (2018)

The value of prob. F count (sig.) in the above table value is 0.000 less than the 0.05 level, so it can be concluded that the estimated linear regression model is used to explain the effect worthy of Stakeholder power and profitability on firm value with corporate social responsibility disclosure as a moderation variable and also can be said that all independent variables jointly affect the dependent variable.

The Coefficient of Determination Test (R^2)

Table-3.2: R^2 Test Results

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.66 a	.448	.404	1.12150	2.299
a. Predictors: (Constant), ROA_CSRD, GO_CSRD, DER, ROA, GO, DER_CSRD					
b. Dependent Variable: PBV					

Source: Data processed by SPSS 24 (2018)

Based on the analysis by using coefficient of determination (R^2) test contained in table 3.2 shows that the value of Adjusted R Square is 0404, it means that 40% of the dependent variable in this study is Firm Value can be explained by the variable Gowernment Power, Creditor Power, Profitability and Corporate Social Responsibility, while the rest (100% - 40% = 60%) is explained by other factors beyond this study.

Hypotheses Test
Statistic t Test

Table-C.1: Statistics t Test Result

Model		Coefficients unstandardized		Standardized Coefficients	t
		B	Std. Error	beta	
1	(Constant)	.417	.409		1,021
	GO	.006	.005	.131	1,411
	DER	.002	.001	.179	1,385
	ROA	.245	.032	.706	7,688
	GO_CSRD	.211	.216	.088	.976
	DER_CSRD	-.261	.289	-.134	-.903
	ROA_CSRD	.033	.244	.016	.137

Source: Data processed by SPSS 24 (2018)

Based on table C.1, the test results stating that the GO variable has amounted to 1,411 t values, where the value is smaller (<) than t table value 1.9917 which means that the independent variable individually has no effect on the dependent variable. DER variable has a value of t count equal to 1,385, where the value is smaller (<) than t table value 1.9917 which means that the independent variable individually has no effect on the dependent variable. ROA has amounted to 7,688 t value, where the value is greater (>) than t table value 1.9917 which means that the individual independent variables affect the dependent variable. GO_CSRD variable has a value of t count equal to 0.976, where the value is smaller (<) than t table 1. 9917 which means that the independent variable individually has no effect on the dependent variable. DER_CSRD variable has a value of t count equal to -0903, where the value is smaller (<) than t table value 1.9917 which means that the independent variable individually has no effect on the dependent variable. ROA_CSRD variable has a value of t count equal to 0.137, where the value is smaller (<) than t table value 1.9917 which means that the individual independent variables affect the dependent variable

Multiple Regression Test

Table-C.2: Multiple Regression Test Results

Model		**Coefficients unstandardized**		**Standardized Coefficients**	**t**	**Sig.**
		B	Std. Error	Beta		
1	(Constant)	.417	.409		1.0	.31
	GO	.006	.005	.131	1.4	.16
	DER	.002	.001	.179	1.3	.17
	ROA	.245	.032	.706	7.6	.00
	GO_ CSRD	.211	.216	.088	.97	.33
	DER_CSRD	-.261	.289	-.134	-.90	.36
	ROA_CSRD	.033	.244	.016	.13	.89

Source: Data processed by SPSS 24 (2018)

The regression equation in this study is as follows

PBV = 0.417 + 0.006 GO + 0.002 DER + 0245 ROA + 0,211 | ZGO - ZCSRD | - 0.261 | ZDER - ZCSRD | + 0.033 | ZROA - ZCSRD |

a. The results of regression testing states that the value of 0.417 is considered constant and will increase the firm value for 0.417.
b. Government power variable shows the value of 0.006. It can be interpreted that if the other independent variables fixed and GO variable increased 1%, the firm value will increase by 0.006. The significance of government power variable at 0.16 > 0.05, which means that government power has no effect on firm value.
c. Creditor power variable shows the value of 0.002. It can be interpreted that if the other independent variables fixed and DER variable increased 1%, the firm value will increase by 0.002. Significance variable power creditor is at 0.17 > 0.05, which means the creditor power has no effect on the firm value.
d. Profitability variable shows the value of 0.245. It can be interpreted that if the other independent variables fixed and variable ROA increased 1%, the firm value will increase by 0245. Significance profitability variable is equal to 0.00 <0.05, which means that the profitability has an effect on firm value.
e. GO_CSRD variable value shows 0.211. It can be interpreted that if other independent variables fixed and variable GO_CSRD increased by 1%, the firm value will increase by 0.211. GO_CSRD variable significance is at 0.33> 0.05, which means that CSR is not able to moderate the effect of government power on firm value.
f. DER_CSRD variable value indicates the value -0261. It can be interpreted that if the other independent variables fixed and variable DER_CSRD increased 1%, the firm value will decrease by 0.261. DER_CSRD variable significance is at 0.36 > 0.05, which means that CSR is not able to moderate the effect of creditor power on firm value.
g. ROA_CSRD variable value shows the value 0.033. It can be interpreted that if the other independent variables fixed and variable ROA_CSRD increased by 1%, the firm value will increase by 0.033. Significance variabel ROA_CSRD amounted to 0.89 > 0.05, which means that CSR is not able to moderate the effect of profitability on firm value.

DISCUSSION

The Effect of Government Power on Firm Value

The results of this study showed that government power has no effect on the firm value. The small average percentage of ownership compared to non-government is one of the causes of government power being unable to influence the value of the SRI-KEHATI Index during the period. When seen from the data PBV sample company, the firm value with the ownership structure did not show an increase every year. This proves that government power in the sample company does not give a guarantee that investors will be competing to invest in the company, because a lot of things that investors consider in determining which companies will be invested in addition to the ownership structure. The high of government ownership also does not minimize the agency conflict, because when the government invests a large portion of its wealth into the companies they manage, there are other goals that might be pursued such as personal interests or political interests so that it impacts on the value of the company.

The results of data processing are consistent with research Nhan & Ha [41] who found results that government ownership does not affect the firm value.

The Effect of Creditor Power on Firm Value

The results of this study showed that the creditor power does not affect the value of the company. DER not is the standar for investors because each company must have external funding although with different proportions. In addition, during the company is really capable of managing external capital to create profit is not a concern for investors that do not affect the stock price that reflects the firm value [45].This is consistent with the stakeholder theory stating that stakeholders have the authority to influence the management in the process of exploiting the full potential of the organization in this case is the internal capital [26].

Data processing results are consistent with research Novari and Lestari [46], which indicates that the leverage does not have a significant effect on the firm value.

The Effect of Profitability on Firm Value

The results of this study showed that the effect on the profitability of the firm value. During the period, private companies dominated the SRI-KEHATI Index companies list. Management is believed to play a role in regulating companies to attract investors. It was proven that the ROA ratio of the sample companies during the study period was able to increase the value of the company investor in the capital market was very attentive to the company's ability to generate, support, and increase profits. Ulupuli [25] says that the firm value is determined by the earning power of the assets of the company. The statement is supported by the perspective of Stakeholder theory which states that the success and death of a company depends on its ability to balance the various interests of stakeholders or stakeholders. If able, then the company will gain sustained support and enjoy the growth of market share, sales and profits [14].

The results of data processing is supported by research conducted by Ayu and Suarjaya [27] also Munawaroh and Priyadi [44] which showed that the profitability of a significant effect on the value of the company.

The Effect of Government Power on Firm Value with Corporate Social Responsibility Disclosure as a Moderation Variable

The results of this study show that corporate social responsibility disclosure not able to moderate the effect of government power on firm value, This is because, based on research data, the number of samples with the government's ownership in this research is only at 44% or about 8 of 18 companies, much less as compared with the non-governmental ownership that reached 66%. A large government ownership in fact not comparable to greater disclosure. The disclosure of corporate social responsibility makes no consideration for investors to invest their shares, although with government power there in. In addition, 44% of government power that exist in the company this sample, there are various sectors of the company. The different types of activity of the company were believed to be able to influence the level of disclosure of corporate social responsibility.

The results of data processing are supported by research conducted by Lu and Abeysekera [6], Nhan and Ha [41] and Omar and Zallom [30].

The Effect of Creditor Power on Firm Value with Corporate Social Responsibility Disclosure as a Moderation Variable

The results of this study show that corporate social responsibility disclosure not able to moderate the effect of creditor power on firm value. Management of companies with high leverage level will tend to reduce the disclosure of social responsibility so as not to be a highlight of the debtholders; it is certainly an impact on firm value [47]. There are indications that investors need a little notice of CSR disclosure made by the company, despite the assurances contained in the Peraturan Perseroan Terbatas No. 40 of 2007, that the company is obliged to implement CSR and express it, because if the company does not implement CSR, the company will be sanctioned in accordance with the provisions of the legislation. In accordance with Article 34 of Undang-undang No. 25 of 2007 that an administrative sanction in the form of a written warning; restrictions on business activities; Suspension of business and / or investment facility.

The results of data processing are supported by research Hardian and Asyik [31] and Fauzan [47] found evidence that the role of CSR disclosure cannot moderate the effect of leverage on firm value.

The Effect of Profitability on Firm Value with Corporate Social Responsibility as a Moderation Variable

The results of this study show that corporate social responsibility disclosure not able to moderate the effect of profitability on firm value. The results of this hypothesis is inversely proportional to the stakeholder theory that states, CSR be one way to increase enterprise value (corporate value), and this will be reflected by an increase in the share price as a form of over reaction of investors after the announcement is received in addition to the legitimacy of the public[15].

However, the disclosure of Corporate Social Responsibility has not been demonstrated and supports the company's ability to provide high returns for shareholders. This indicates that the main goal of the investors in the investment company that is able to provide high returns for shareholders, regardless of whether the company revealed its Corporate Social Responsibility or not. Things determine whether the company is able to provide a high level of profits for shareholders is enough investors to see the company's financial performance, if the financial performance of the company is able to provide the level of return for investors or not. Therefore, in this case the Corporate Social Responsibility has not been able to moderate the profitability to firm value [20].

The results of data processing are supported by research conducted by Hardian and Asyik [31] and Akmalia [30] found evidence that the role of CSR cannot moderate the effect of profitability on firm value.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the analysis conducted in this study it can be concluded that:

- Government power does not affect the firm value.
- Creditor power does not affect the firm value.
- Profitability affects the firm value.
- CSR is not able to moderate the effect of government power on firm value.
- CSR is not able to moderate the effect of creditor power on firm value.
- CSR is not able to moderate the effect of profitability on firm value.

Suggestion

Based on this study, researchers gave suggestions to:

1. **Academics**
The results of this study are expected to be a reference by subsequent researchers in developing similar studies.

2. **Company Management**
With the results of this study, the management company is expected to further improve profitability that measured by ROA because the better the company's profitability growth means the company's future prospects rated the better, meaning that the firm value will also be judged the better in the eyes of investors. Furthermore, Corporate Social Responsibility in Indonesia is that no longer voluntary but already mandatory by Law No. 40 2007 regarding Perseroan Terbatas. Thus the company is obliged to disclose it.

3. **Regulator**
With the results of this study, the regulator as policy makers is expected to evaluate and determine the condition of the current company as consideration in decision making. Low levels of CSR in the sample prove that the annual report and corporate sustainability report in Indonesia are still not in accordance with what is meant by the GRI. Disclosure of negative statements, such as the quantity of emissions produced, very rarely disclosed in Indonesia for fear of losing the trust of the readers of the report. In addition, a phenomenon that occurs over substance contents tend to be normative, it is because of two things. First, there are significant penalties for companies that do not disclose CSR. Second, CSR is often made only to meet the award criteria and imaging environment indirectly. Thus there are still many things that need to be improved to create a voluntary reporting mechanism in Indonesia to be more transparent.

Peraturan

Undang-Undang Repulik Indonesia Nomor 40 Tahun 2007 Tentang Perseroan Terbatas.

Undang Undang Republik Indonesia Nomor 25 Tahun 2007 Tentang Penanaman Modal.

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