

**THE EFFECT OF OWNERSHIP STRUCTURE AND SUSTAINABILITY
REPORT DISCLOSURE TOWARD COMPANY VALUE WITH
FINANCIAL PERFORMANCE AS INTERVENING VARIABLE**

UNDERGRADUATE THESIS

This undergraduate thesis is submitted in partial fulfillment of the requirements to
obtain the degree of Sarjana Ekonomi in Faculty of Economics
Yogyakarta State University



By:

ZAHRA TIARA RUSYDA
14812141056

ACCOUNTING STUDY PROGRAM
ACCOUNTING EDUCATION DEPARTMENT
FACULTY OF ECONOMICS
YOGYAKARTA STATE UNIVERSITY
2018

**THE EFFECT OF OWNERSHIP STRUCTURE AND SUSTAINABILITY
REPORT DISCLOSURE TOWARD COMPANY VALUE WITH
FINANCIAL PERFORMANCE AS INTERVENING VARIABLE**

UNDERGRADUATE THESIS

By:
ZAHRA TIARA RUSYDA
14812141056

Had been approved and validated on January 15, 2018
to be defended in the front of Board of Examiners
Accounting Study Program
Faculty of Economics
Yogyakarta State University

Approved by
Supervisor



Dr. Denies Priantinah, S.E., M.Si., Ak., CA.
NIP. 19740509 200501 2 001

VALIDATION

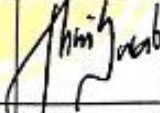
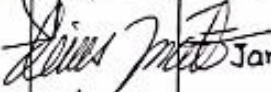
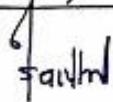
The undergraduate thesis entitled:

THE EFFECT OF OWNERSHIP STRUCTURE AND SUSTAINABILITY REPORT DISCLOSURE TOWARD COMPANY VALUE WITH FINANCIAL PERFORMANCE AS INTERVENING VARIABLE

By:
ZAHRA TIARA RUSYDA
14812141056

had been defended in front of Board of Examiners on January 25, 2018
and had been successfully passed

BOARD OF EXAMINERS

Full Name	Position	Signature	Date
Indah Mustikawati, S.E., M.Si., Ak., CA. NIP. 19681014 199802 2 001	Chairman		Jan 31, 2018
Dr. Denies Priantinah, S.E., M.Si., Ak., CA. NIP. 19740509 200501 2 001	Secretary		Jan 31, 2018
Dr. Ratna Candra Sari, S.E., M.Si., Ak., CA. NIP. 19761008 200801 2 014	Main Examiner		Jan 30, 2018

Yogyakarta, February 6, 2018

Faculty of Economics

Yogyakarta State University

Dean



Dr. Sugiharsono, M.Si.

NIP. 19550328 198303 1 002

DECLARATION OF AUTHENTICITY

I, the undersigned:

Name : Zahra Tiara Rusyda
NIM : 14812141056
Study Program : Accounting
Faculty : Economics
Undergraduate thesis title : THE EFFECT OF OWNERSHIP STRUCTURE
AND SUSTAINABILITY REPORT DICLOSURE
TOWARD COMPANY VALUE WITH
FINANCIAL PERFORMANCE AS
INTERVENING VARIABLE

Hereby I declare that this undergraduate is my own original work. According to my knowledge, there is no work or opinion written or published by others, except as reference or citation by following the prevalent procedure of scientific writing.

Yogyakarta, February 1, 2018

Writer,



Zahra Tiara Rusyda
NIM. 14812141056

MOTTOS

Everything you can imagine is real. (Pablo Picasso)

You only live once, but if you do it right, once is enough. (Mae West)

DEDICATION

The name of Allah the Most Gracious, Most Merciful, praise the presence of Allah SWT who has bestowed Rahman and Rohim so many valuable things that I have without ever separated from many conveniences You give. Prayers and greetings is always devoted to the great prophet Rasulullah SAW.

From the sincere heart, I dedicate this work to:

~Beloved Family~

Handy Purnama (Father)

Thanks for an unlimited time to guide me

Thanks for a great milestone amplifier my religious

Thanks for the love that never could be portrayed in your activity.

Fernita Puspasari (Mother)

Thanks for your prayers

Thanks for your glory every second in my tread

Thanks for your never ending love.

~Alma mater~

Accounting Study Program, Accounting Education Department, Faculty of
Economics Yogyakarta State University.

**PENGARUH STRUKTUR KEPEMILIKAN DAN PENGUNGKAPAN
LAPORAN BERKELANJUTAN TERHADAP NILAI PERUSAHAAN
DENGAN KINERJA KEUANGAN SEBAGAI VARIABEL INTERVENING**

Oleh:
Zahra Tiara Rusyda
14812141056

ABSTRAK

Tujuan penelitian ini adalah untuk mengetahui Pengaruh Struktur Kepemilikan dan Pengungkapan Laporan Berkelanjutan terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening pada perusahaan yang menerbitkan Laporan Berkelanjutan tahun 2013-2016.

Desain penelitian ini termasuk dalam penelitian kausalitatif. Populasi penelitian ini adalah perusahaan yang menerbitkan Laporan Berkelanjutan dan terdaftar di Bursa Efek Indonesia (BEI) tahun 2013-2016. Penelitian sampel melalui purposive sampling. Terdapat 10 perusahaan yang memenuhi kriteria sebagai sampel penelitian sehingga data penelitian berjumlah 40. Teknik analisis yang digunakan adalah regresi berganda dan analisis jalur.

Hasil penelitian ini menunjukkan bahwa (1) Kepemilikan Manajerial berpengaruh langsung terhadap Nilai Perusahaan, (2) Kepemilikan Institusional tidak berpengaruh langsung terhadap Nilai Perusahaan, (3) Pengungkapan Laporan Berkelanjutan tidak berpengaruh langsung terhadap Nilai Perusahaan, (4) Kepemilikan Manajerial berpengaruh tidak langsung terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening, (5) Kepemilikan Institusional tidak berpengaruh tidak langsung terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening, (6) Pengungkapan Laporan Berkelanjutan berpengaruh tidak langsung terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening.

Kata Kunci: *Kepemilikan Manajerial, Kepemilikan Institusional, Laporan Berkelanjutan, Kinerja Keuangan, dan Nilai Perusahaan*

**THE EFFECT OF OWNERSHIP STRUCTURE AND SUSTAINABILITY
REPORT DISCLOSURE TOWARD COMPANY VALUE WITH
FINANCIAL PERFORMANCE AS INTERVENING VARIABLE**

Oleh:
Zahra Tiara Rusyda
14812141056

ABSTRACT

This research aims to know the effect of Ownership Structure and Sustainability Report Disclosure toward Company Value with Financial Performance as Intervening Variable on companies that publish Sustainability Report during 2013-2016.

Research design was a causative research. The data population taken from companies publish Sustainability Report and listed in Indonesia Stock Exchange (IDX) during 2013-2016. Sampling method used in this research is purposive sampling. There were 10 companies that fulfilled the sample criterias. So, the data sample in this research were 40. Analysis techniques consisted of multiple regression analysis and path analysis.

The result of this research showed that (1) Managerial Ownership directly effects Company Value, (2) Institutional Ownership does not directly effect on Company Value, (3) Sustainability Report Disclosure does not directly effect on Company Value, (4) Managerial Ownership indirectly effects on Company Value with Financial Performance as an intervening variable, (5) Institutional Ownership does not indirectly effect Company Value with Financial Performance as an intervening variable, (6) Sustainability Report Disclosure indirectly effects on Company Value with Financial Performance as an intervening variable.

Keywords: Managerial Ownerhsip, Institutional Ownership, Sustainability Report, Financial Performance, and Company Value

FOREWORD

All praise and gratitude go to Allah SWT who always give me the blessings and the chance so I could finish this undergraduate thesis entitled “The Effect of Ownership Structure and Sustainability Report Disclosure toward Company Value with Financial Performance as Intervening Variable”. I also realize that I would not be able to complete this undergraduate thesis without support, guidance, and help from people around me. Therefore, I would like to express my great gratitude to:

1. Prof. Dr. Sutrisna Wibawa, M.Pd., Rector of Yogyakarta State University.
2. Dr. Sugiharsono, M.Si., Dean of Faculty of Economics, Yogyakarta State University.
3. Rr. Indah Mustikawati, S.E., M.Si., Ak., CA., Head of Accounting Education Department, Faculty of Economics, Yogyakarta State University.
4. Dr. Denies Priantinah, S.E., M.Si., Ak., CA., my first supervisor who has patiently guided me until my undergraduate thesis could be defended on the front of Board of Examiners.
5. Dr. Ratna Candra Sari, S.E., M.Si., Ak., CA., my second supervisor who had given guidance to finish this undergraduate thesis.
6. My beloved family: Bapak, Ibu, Nafi, and Salma who always give me love, support, and prayers that encourage me to through the difficulties in my study.
7. My lecturers: Patriani Wahyu Dewanti, M.Acc., Adeng Pustikaningsih, M.Si., Andryzal Fajar, M.Sc., CA., Dhyah Setyo Rini, M.Si., Ak., CA., Arief Zuliyanto Susilo, S.E., M.Sc. and all of lectures in Accounting Department; who have guided and supported in my study.

8. Hastomo Fazle Robby for the supports you have given.
9. Rudi Prasetya Timur for the help to finished this undergraduate thesis.
10. My friends in Accounting Department: Fatim, Tegar, Rina, Antari, Taufiqur, Akhdan, Vitas, Nesya, Fatin, Fikri, Aprin, Dian, Rizki, Lia, Cahita, Andri, Ulfa, and Vania.
11. My friends: Bastian, Weldani, Riani, Ghefira, Karina, Candra, Agil, Arif, Azka, Azkia, Desti, Nia, Tari, Muthia, Sinta, Aini, and Vindy.
12. My classmate of Accounting Department 2014, Himpunan Mahasiswa Akuntansi UNY, and KKN 47 for the unforgettable moments, friendship, supports, and helps through the whole days of my study.

Finally, I truly realize that my undergraduate thesis is far from being perfect.

The constructive critics and suggestions from the readers are expected.

Yogyakarta, February 1, 2018



Zahra Tiara Rusyda
NIM. 14812141056

TABLE OF CONTENT

COVER PAGE.....	i
APPROVAL PAGE	ii
VALIDATION.....	iii
DECLARATION OF AUTHENTICITY.....	iv
MOTTOS	v
DEDICATION	vi
<i>ABSTRAK</i>	vii
ABSTRACT.....	viii
FOREWORD	ix
TABLE OF CONTENT	xi
LIST OF TABLES	xiv
LIST OF FIGURES	xv
LIST OF APPENDICES	xvi
CHAPTER I INTRODUCTION.....	1
A. Problem Background	1
B. Problem Identification	5
C. Problem Restriction	7
D. Problem Formulation	7
E. Research Objectives.....	8
F. Research Benefits.....	8
1. Theoretical Benefits	8
2. Practicals Benefits.....	9
CHAPTER II LITERATURE REVIEW AND RESEARCH HYPOTHESES	10
A. Theoretical Review	10
1. Company Value	10
2. Financial Performane	12
3. Ownership Structure	13
4. Sustainability Report.....	17
B. Relevant Research.....	26
C. Conceptual Framework.....	30
1. The Effect of Managerial Ownership on Company Value	30

2.	The Effect of Institutional Ownership on Company Value	31
3.	The Effect of Sustainability Report Disclosure on Company Value	32
4.	The Effect of Managerial Ownership on Company Value through Financial Performance.....	34
5.	The Effect of Institutional Ownership on Company Value through Financial Performance	35
6.	The Effect of Sustainability Report Disclosure on Company Value through Financial Performance.....	37
D.	Research Hypotheses	40
CHAPTER III RESEARCH METHODS		41
A.	Types of Research.....	41
B.	The Research Schedule	41
C.	Populations and Samples of Research	41
1.	Populations.....	41
2.	Samples	42
D.	Operational Definition and Research Variable	42
1.	Dependent Variable	42
2.	Independent Variable	43
3.	Intervening Variable	44
E.	Data Collection Techniques	45
F.	Data Analysis Techniques.....	45
1.	Descriptive Statistic	45
2.	Classic Assumption Test.....	45
3.	Hypotheses Test	48
CHAPTER IV RESULT AND DISCUSSION		58
A.	Data Description	58
B.	Descriptive Statistics Analysis.....	58
1.	Company Value	59
2.	Managerial Ownership.....	59
3.	Institutional Ownership.....	60
4.	Sustainability Report Disclosure.....	60
5.	Financial Performance	61

C.	Classic Assumption Test Result	61
1.	Classic Assumption Test Results of Substructure Equation 1	62
2.	Classic Assumption Test Results of Substructure Equation 2	63
D.	Hypotheses Test Result	66
1.	Path Analysis	66
2.	Sobel Test Result	75
E.	Discussion	77
1.	The Effect of Managerial Ownership on Financial Performance	77
2.	The Effect of Institutional Ownership on Financial Performance	78
3.	The Effect of Sustainability Report Disclosure on Financial Performance	79
4.	The Effect of Managerial Ownership on Company Value	81
5.	The Effect of Institutional Ownership on Company Value	82
6.	The Effect of Sustainability Report Disclosure on Company Value	83
7.	The Effect Financial Performance on Company Value	83
8.	The Effect of Financial Performance as intervening variable between Managerial Ownership to Company Value	85
9.	The Effect of Financial Performance as intervening variable between Institutional Ownership to Company Value	86
10.	The Effect of Financial Performance as intervening variable between Sustainability Report Disclosure to Company Value	87
F.	Research Limitation	88
CHAPTER V CONCLUSIONS AND SUGGESTIONS		89
A.	Conclusions	89
B.	Suggestions	90
REFERENCES		93
APPENDICES		100

LIST OF TABLES

Table 1. Company Value Descriptive Statistic	59
Table 2. Managerial Ownership Descriptive Statistic.....	59
Table 3. Institutional Ownership Descriptive Statistic	60
Table 4. Sustainability Report Descriptive Statistic	60
Table 5. Financial Performance Descriptive Statistic	61
Table 6. The Normality Test Result of Substructure Equation I.....	62
Table 7. The Multicollinearity Test Result of Substructure Equation I.....	62
Table 8. The Autocorrelation Test Result of Substructure Equation I.....	63
Table 9. The Heteroscedasticity Test Result of Substructure Equation I	63
Table 10. The Normality Test Result of Substructure Equation II	64
Table 11. The Multicollinearity Test Result of Substructure Equation II.....	64
Table 12. The Autocorrelation Test Result of Substructure Equation II	65
Table 13. The Heteroscedasticity Test Result of Substructure Equation II.....	65
Table 14. The Test Result of Managerial Ownership on Financial Performance Effect	67
Table 15. The Test Result of Institutional Ownership on Financial Performance Effect	67
Table 16. The Test Result of Sustainability Report Disclosure on Financial Performance Effect	68
Table 17. The Test Result of Managerial Ownership on Company Value Effect	68
Table 18. The Test Result of Institutional Ownership on Company Value Effect	69
Table 19. The Test Result of Sustainability Report Disclosure on Company Value Effect.....	69
Table 20. The Test Result of Financial Performance on Company Value Effect	70
Table 21. Beta Value.....	70
Table 22. The Test Result of Managerial Ownership on Company Value through Financial Performance Effect.....	75
Table 23. The Test Result of Institutional Ownership on Company Value through Financial Performance Effect.....	76
Table 24. The Test Result of Sustainability Report Disclosure on Company Value through Financial Performance Effect.....	77

LIST OF FIGURES

Figure 1. Conceptual Framework.....	39
Figure 2. The Paradigm of a Relationship Between Variables.....	49
Figure 3. The Structure Path Diagram	49
Figure 4. The Model Line Diagram 2	73

LIST OF APPENDICES

Appendix 1. The Population List of Company Publishing Sustainability Report Listed In IDX 2013-2016.....	101
Appendix 2. The Sample List of Company Publishing Sustainability Report Listed In Indonesia Stock Exchange 2013-2016	103
Appendix 3. The Data of Managerial Ownership	104
Appendix 4. The Data of Institutional Ownership	106
Appendix 5. The Data of Sustainability Report Disclosure	108
Appendix 6. The Data of Financial Performance.....	110
Appendix 7. Company Value Data	112
Appendix 8. The Result of Descriptive Statistical Analysis	114
Appendix 9. The Results of Classic Assumption Test Substructure Equation I.....	115
Appendix 10. The Results of Classic Assumption Test Substructure Equation II.....	118
Appendix 11. The Result of Hypotheses Test Substructure I.....	121
Appendix 12. The Result of Hypotheses Test Substructure II.....	122
Appendix 13. The Result of Sobel Test	123
Appendix 14. Sobel Test Determination Calculation	129

CHAPTER I

INTRODUCTION

A. Problem Background

The companies have goals in their business operations. Companies goals are short-term goal and long-term goal. A short-term goal is to generate profit for a single period of time, while a long-term goal is to maximize company value (Wahyudi and Pawestri, 2006). Based on Agency Theory, in the process of maximize company value will arise a conflict of interest between manager and shareholders named agency conflict. The conflict can degrade company value because managers have self-interest. Shareholders do not like it because it can add cost to the companies and can lead to a decrease in company profit (Jensen and Meckling, 1976). Agency problems can be effected by ownership structures (i.e managerial ownership and institutional ownership). Ownership structure can be effected company course which ultimately effects company performance in achieve company goal of maximize company value (Wahyudi and Pawestri, 2006).

An effort to increase company value can also be done by increasing financial performance. Prasetyorini (2013) stated that good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. An increased of share demand will cause company value increase. Financial performance reflects the effectiveness of company operational and used to assess the successfulness of company (such as growth) that is related to company value.

In an effort to increase the company value, the companies often involve environment and social. According to Sutami et al (2011), many companies are increasing their profits by exploiting natural resources and human resources. On the other side, these efforts can be caused some problems. It happens because when the companies profit is increased, there will be damaged that also caused the increasing tax level and costs for cleanliness, health, and environmental sustainability.

The exploitation activities undertaken by the companies led to increase demands on the companies to pay more attention on environmental and social responsibility to be accepted by society. This is in accordance with Legitimacy Theory that companies continually strive to ensure that they operate accordingly the framework and norms that are existed in society or company environment. They also strive to ensure that their activities are received by society as legitimate (Deegan, 2004).

The public awareness of the companies activity impact also resulted in pressure and demands on the companies, so they can disclose their activities in the accountability report to the society as stakeholders. Based on Stakeholder Theory, the companies must maintain relationships with their stakeholders, especially stakeholders who have power over the availability of resources used for companies operational activities (Chariri and Ghozali, 2007). One of the companies strategies to maintain relationships with stakeholders is to disclose Sustainability Reports that inform economic, social, and environmental performance as corporate responsibility to stakeholders in the form of reports.

Aside from being a form of accountability to stakeholders, Sustainability Report can serve as a tool to convince shareholders and potential investors. This is because of the decrease confidence in the community after the Enron case, December 2001. Owen (2005) says that Enron's case in America has caused companies to pay more attention to sustainability report and Corporate Social Responsibility. This further reinforces Wallman's (1995) opinion that the information is known so far such as the income statement, balance sheet, cash flow statement, and notes to the financial statement decreased its usefulness for shareholders. Therefore, in accordance with the Signalling Theory, the companies drive to provide information to external parties, the companies must make a report that provides information to reduce the asymmetry information, both financial and non-financial information.

In Indonesia has been described in the Statement of Financial Accounting Standards (SFAS) No.1 paragraph nine, "Companies can also present additional reports such as environmental reports and value added statements, especially for industries that environmental has an important role and for the industry that considers employees have an important role". From these statements, it reflects that Sustainability Report is still voluntary for companies that want to publish the report.

Sustainability Report is increasingly become a trend and a need for progressive companies to inform their economic, social and environmental performance as well as to all stakeholders of the companies (Chariri, 2007). A survey conducted by Klynveld, Peat, Marwick, Goerdeler (KPMG) shows the

growth of companies that publish environmental, social responsibility, and sustainability reports are significant (www.industryweek.com).

The growth of companies that publish environmental, social responsibility, and sustainability reports trigger the emergence of various guidelines or guidelines provided by governments and international agencies to create guidelines on Sustainability Reporting (Basalamah *et al.*, 2005). One of the institutions that make the guidelines is Global Reporting Initiative (GRI). GRI is a non-profit organization that promotes economic sustainability. GRI produces a commonly used standard of companies in the world for sustainability report such as Environmental Social Governance (ESG) Reporting, Triple Bottom Line (TBL) Reporting, and Corporate Social Responsibilities (CSR) Reporting. GRI strives to continue developing the "framework for sustainability reporting", and the G4 Guidelines are officially released in May 2013 (www.globalreporting.com). However, many companies have not disclosed the complete sustainability report that contains of 91 items. Research on the implementation of Sustainability Report based on GRI has not much been done in Indonesia. This is because of the very limited samples (companies that disclose Sustainability Report).

Several types of research have been conducted to examine how the effect of Sustainability Report Disclosure on companies performance. However, previous researches have various results. In the research of Reddy and Gordon (2010) conducted on companies in Australia and New Zealand, there are differences in outcomes between the two countries. Research on companies in

Australia, Sustainability Report has a significant effect on Financial Performance. In contrast, the results of research on companies in New Zealand there is no significant effect between Sustainability Report on Financial Performance.

There are several differences between this and previous research. First, this research examines the effect of Sustainability Report Disclosure on Financial Performance proxied with Return on Assets (ROA) as intervening variable and Companies Value proxied by Price Book Value (PBV). Second, the data and samples used in this research are companies that publish Sustainability Report during 2013-2016. Use in 2013 because the G4 Guidelines are officially released in May 2013. This research refers to previous researches by examine the effect of Ownership Structure on Company Value and Sustainability Report Disclosure on Financial Performance. Ownership Structure is proxied by Managerial Ownership and Institutional Ownership, Sustainability Report is proxied by Sustainability Report Disclosure Index (SRDI), Financial Performance is proxied by Return on Assets (ROA), and Companies Value is proxied by Price Book Value (PBV).

B. Problem Identification

Based on the background problems, then the problem identifications in this research are as follows:

1. Investors have difficulty in predict company value used as one of the references in decision making

2. The process of maximize Company Value will arise conflict of interest between manager and shareholders named agency conflict
3. Agency conflict can degrade company value because managers are concerned with personal interests
4. Agency conflict can be minimized by ownership structure.
5. Ownership structure can increase company value such as improve financial performance
6. Efforts to increase company value can be done by increase financial performance
7. Companies often involve the environment and social in an effort to increase the companies value from their business operations
8. Companies will not be accepted by society if they do not ensure that they operate within the framework and norms that exist within the community or company environment.
9. Companies must maintain relationships with their stakeholders. This is also because of the decreased in public confidence after the Enron case, December 2001.
10. The information is known so far such as the income statement, balance sheet, cash flow statement, and notes to the financial statement decreased its usefulness for shareholders.
11. Sustainability Report is still voluntary for companies that want to publish the report.

12. Many companies have not disclose the complete sustainability report that contains 91 items

C. Problem Restriction

Based on the background and problem identifications, the problem restrictions are:

1. Ownership structure can increase company value such as improve financial performance
2. Efforts to increase company value can be done by increase financial performance
3. Sustainability Report is still voluntary for companies that want to publish the report.
4. Many companies have not disclosed the complete sustainability report that contains 91 items

D. Problem Formulation

1. Does Managerial Ownership directly effect on Company Value?
2. Does Institutional Ownership directly effect on Company Value?
3. Does Sustainability Report Disclosure directly effect on Company Value?
4. Does Managerial Ownership indirectly effect on Company Value through Financial Performance?
5. Does Institutional Ownership indirectly effect on Company Value through Financial Performance?
6. Does Sustainability Report Disclosure indirectly effect on Company Value through Financial Performance?

E. Research Objectives

This research aims to determine:

1. The effect of Managerial Ownership on Company Value.
2. The effect of Institutional Ownership on Company Value.
3. The effect of Sustainability Report Disclosure on Company Value.
4. The effect of Managerial Ownership on Company Value through Financial Performance.
5. The effect of Institutional Ownership on Company Value through Financial Performance.
6. The effect of Sustainability Report Disclosure on Company Value through Financial Performance.

F. Research Benefits

This research is expected to provide benefits for all parties concerned, both theoretical and practical benefits.

1. Theoretical Benefits

The results of this research are expected to contribute knowledge in accounting related to the effect of Ownership Structure and Sustainability Report Disclosure on Company Value.

a. For academics

The results of this research are expected to contribute to the development of Financial Management theory, especially on the effect of Ownership Structure and Sustainability Report Disclosure on Financial Performance and Company Value.

b. For further Research.

The results of this research are expected to be a reference in finance so it can be useful for further research on Ownership Structure, Sustainability Report, Financial Performance, and Company Value.

2. Practical Benefits

a. For companies

The results of this research are expected to provide suggestion to further examine the effect of Ownership Structure and Sustainability Report Disclosure. So companies can help evaluate, improve and optimize their function in achieve the goal of improve financial performance and company value.

b. For investor

The results of this research are expected to provide an overview of the effect of Ownership Structure. So it can be a guide and consideration in investing. In addition, it can be helpful in considering the aspects that need to be considered in the investment, not only in terms of financial, but in terms of non-financial as listed in Sustainability Report.

c. For government and standard-setting institutions

The results of this research are expected to be used as a consideration for the preparation of environmental accounting standards and as suggestion in improve the quality of existing standards and regulations.

CHAPTER II

LITERATURE REVIEW AND RESEARCH HYPOTHESES

A. Theoretical Review

1. Company Value

The Company value is the prospective price from buyer is willing to pay if the company is sold (Brigham, 2001). Increasing company value is the goal of every company. High company value can increase prosperity for shareholders, so shareholders will invest their capital into the company (Haruman, 2007). High company value is the desire of the company owner because with the high value of the company reflects the prosperity of shareholders is also high. Susanti (2010), stated that shareholder and company wealth is presented by the market price of the stock which is a reflection of financing and asset management decisions.

Company value provides an overview of a management of investors' perceptions of past performance and future company prospects (Brigham and Houston, 2006). If a good company value is measured by a company's performance and a good outlook, then the investor will be willing to buy the company's stock. So simply company value can be interpreted as an investor perception of a company and part of the price that investors are willing to pay to have a company.

The company value in this research is define as the market value because the company value can provide maximum shareholder wealth if the

company's stock price increases. Market value is the stock price that occurs in certain stock markets formed by demand and supply of shares by market participants. Nurlala and Ishaluddin (2008) explain that Enterprise Value (EV) or Company Value is an important concept for investors because it is an indicator for the market in assessing the company as a whole.

Company value is basically influenced by several indicators, such as:

1. PER (Price Earning Ratio) is a ratio that measures how much the ratio of the company's stock price to the profits earned by shareholders. The formula used is:

$$PER = \frac{\text{Stock Market Price}}{\text{Earnings per Share}} \times 100\%$$

However, the value of PER is influenced by several factors such as:

- a. Profit Growth Rate
 - b. Dividend Payout Ratio (DPR)
 - c. The level of profit implied by the financiers.
2. PBV (Price Book Value) is a ratio measures the value of financial markets give to management and corporate organization as a growing company (Brigham, 2006), which is proxied by:

$$PBV = \frac{\text{Market price per share}}{\text{Book value per share}} \times 100\%$$

In this research, the measurement tool used to assess the company value is PBV.

2. Financial Performane

Financial performance is a description of the condition and circumstances of a company that is analyzed with the tools of financial analysis so that it can know both the financial condition and financial performance of a company within a certain time (Wibowo, 2014). The financial performance of the company is reflected in the financial statements that result in a certain year or comparable with previous years so that it can be seen the progress or decrease that occurs from year to year and the magnitude of difference to know the consistency of the company (Soelistyoningrum, 2011).

Measurement through financial ratios is to avoid problems in compare companies that are different in size. Financial ratios are also useful for show comparisons and investigations in financial information (Ross, 2003). Reports of financial performance are also made predict the financial future. If the report from time to time shows good and consistent results then the condition of the company's financial performance can be considered good. A company financial performance can be seen from its profit or profitability. Profitability that can be proxied with Return on Assets (ROA) is a factor that makes management to be free and flexible to disclose social responsibility to shareholders (Kiki 2009). The research results of Ni Wayan and Made Gede (2008) found that ROA has a positive effect on Company Value. This is in line with the research of Muklasin and Lusiana (2008) who

found ROA as an intervening variable has a positive effect on Company Value.

3. Ownership Structure

a. Agency Theory

The Agency Theory was developed by Michael C. Jensen and William H. Meckling. Agency Theory related to the relationship between principal and agent. According to Brigham & Houtson (2006: 26-31) managers are empowered by companies owners to make decisions. It can create potential interest conflicts known as Agency Theory. The agency relationship occurs when one or more individuals (principals) hire an individual or another organization (agency) to perform services and delegate authority to make decisions to the agent.

Based on Agency Theory, in the process of maximize company value will arise an interest conflict between manager and shareholders named agency conflict. This can degrade companies value because managers have self-interest. Shareholders do not like it because it can add costs to the companies that can lead to a decrease in company profit (Jensen and Meckling, 1976). Agency problems can be effected by ownership structures (managerial ownership and institutional ownership). Ownership structure by some researchers is believed to be able to effect company course which ultimately effects company performance in achieve company goal of maximize company value (Wahyudi and Pawestri, 2006).

b. The Definition of Ownership Structure

The ownership structure is a form of commitment from shareholders to delegate control with certain levels to managers (Pujiningsih, 2011). In a modern company, the company ownership is usually very widespread. The ownership structure will have different motivations to monitor the company as well as its management and board of directors. The ownership structure give an effect on company course and company course also can give an effect the company performance. Agency problems can be reduced by the ownership structure. The ownership structure is a mechanism to reduce conflicts between management and shareholders (Faisal, 2005). Jensen and Meckling (1976) stated managerial ownership and institutional ownership can control agency problems.

c. Managerial Ownership

Agency Theory led to the argumentation of a conflict between the shareholders with the managers. That conflict arose as a result of different interests between the two parties. Jensen and Meckling (1976) argue that large shareholdings in terms of economic value have an incentive to monitor. Theoretically, when management ownership is low, the incentives for a possible opportunistic behavior of managers will increase.

The definition of managerial ownership according to Wahidahwati (2002) as follows:

Managerial ownership is a management shareholder who actively participates in corporate decision making (Director and Commissioner). Managerial ownership is measured by the percentage of shares owned by managers.

According to Shleifer and Vishny (1997), managerial ownership of the company shares is deemed to align the potential difference of interests between outside shareholders and management. So the agency problem is assumed to be lost if a manager is also as an owner.

d. Institutional Ownership

Jensen and Meckling (1976) stated that institutional ownership has a very important role in minimize agency conflicts between managers and shareholders. The existence of institutional investors is considered capable of being an effective monitoring mechanism in every decision taken by the manager. This is because institutional investors are involved in strategic decision making so it is not easy to believe in the act of profit manipulation.

Institutional ownership generally acts as the party overseeing the company. Company with large institutional ownership (more than 5%) indicate their ability to supervise management. The greater the institutional ownership the more efficient the utilization of company assets. The proportion of institutional ownership acts as a deterrent to waste management (Fauzi, 2006).

Institutional ownership will encourage owners to lend to management, so management is encouraged to improve its performance, then company value will increase (Sujoko and

Soebiantoro, 2007). Smith's (1996) research shows that supervising activities of institutions are able to change the corporate governance structure and are able to increase shareholder wealth. This is supported by Crutchley et al (1999) stated that supervision by institutions was able to substitute other agency costs so that agency costs decreased and company value increased.

Arifani (2012) stated that the higher proportion of managerial ownership in the company causes the tendency of management to be more vigorous about the interests of shareholders because if there is a wrong decision, management will also bear the consequences. This can be shown by the existence of good management performance in manage the company that can be measured by financial performance. Institutional ownership within the company will enhance more optimal supervision of management performance, which can also result in improved financial performance. Supervision of the company is necessary because of the tendency of managers to act not in accordance with the wishes of the company owner.

Improved financial performance due to managerial and institutional ownership leads to an increase in company value. Financial performance demonstrates the effectiveness of operations and is used as a way to assess the success of company-related growth and performance related to company value. Therefore, an increase in

institutional ownership will lead to an increase in financial performance that may have an impact on increase company value (Julyanti, 2015).

4. Sustainability Report

a. Legitimacy Theory

Meutia (2010: 78) stated that:

Legitimacy is to equate the perception that the actions undertaken by a company are a desirable act, appropriate or in accordance with system norms, values of trust, and definitions are developed socially.

The definition implies legitimacy is a company management system oriented to the alignment of society, the government of individuals and community groups. As a system that prioritizes the alignment of the society, the company's operations must be in line with the expectations of the community.

Companies as environmental and community-related entities need to continually strive to ensure that they operate within the framework and norms exist in the community or company environment. So they ensure their activities are received by society as legitimate (Degaan, 2004). According to Lean (2009), the legitimacy theory explains the motivation of managers or organizations to publish sustainability reports to gain endorsement or acceptance from the public. This is because the sustainability report as a report that not only contains financial performance information but also non-financial information consisting of information social and environmental activities that enable companies to grow sustainably (Elkington, 1997).

b. Stakeholder Theory

Based on Stakeholder Theory, the company is not an entity that operates only for its own sake but must benefit its stakeholders. The existence of a company is strongly effected by the support from stakeholders to the company (Ghozali and Chariri, 2007). Jensen (2011) stated management decisions should pay attention on stakeholders to increasing company value. Stakeholders also have rights to actions taken by company management, as do shareholders (Waryanti, 2009).

According Purwanto (2011) that stakeholders are all parties whose existence is very influential and effected companies, such as employees, communities, competitor companies, and the government. Daud and Abrar (2008) also stated that the group is the most important consideration for companies disclose information.

Clarkson (1995) defines stakeholders to be primary stakeholders and secondary stakeholders. The primary stakeholders are those without a continuous participation, the organization cannot survive. Examples of primary stakeholders are investors, workers, customers, and suppliers. Secondary stakeholders are defined as those who influence or are influenced by the company, but they are not involved in transactions with the company and do not mean much for the continuity of the company. Examples of secondary stakeholders are government and mass media.

The success of a company business is determined by the management that success in maintain relationships with stakeholders. Disclosures in financial report can be seen as a kind of dialogue between management and stakeholders. Lujun (2010) in his research stated over the last few decades, environmental issues have received more attention from stakeholders. Therefore, the area of company space with poor environmental performance is getting lower.

Companies need to provide information to relevant stakeholders about their social and environmental responsibilities and achievements through social and environmental disclosure. Stakeholders and other public parties are also expected to understand the company environmental disclosure for decision-making purposes (Lujun, 2010). Disclosure of companies social and environmental responsibility in the form of Sustainability Report. Sustainability Report Disclosure is expected to fulfill the needs of stakeholders so it will produce a harmonious relationship between the company and its stakeholders then the company can achieve sustainability.

c. Signalling Theory

Signalling Theory is developed in the economic and financial literature stated company insiders (workers and management) generally have better information than other investors about the current state of the company and its prospects in the future. The signal by Brigham and Houston (2006: 31) is an action taken by the company management that

gives the investor a clue about how management views the company prospect.

Signalling Theory explains the reason that companies have an encouragement to provide financial statement information to external parties (Thiono, 2006). This encouragement is done because there is asymmetry information between the company and society because the company knows more about the company and prospects that will come compared to outside parties (investors and creditors).

Companies can increase company value by reduce asymmetric information. One way to reduce such asymmetric information by give signals to society like disclosing information held, whether financial or non-financial information. Information that must be disclosed by the company is information about the economy, environment, and social. This will reduce uncertainty about future company prospects (Thiono, 2006).

The sustainability report disclosure aims to provide additional information about the company's activities as well as a means to provide a signal to stakeholders about the company's concern for the social and the environment. Sustainability report disclosure appropriate and appropriate stakeholder expectations as a signal given by the management to the public that the company has good prospects in the future and ensure the creation of sustainability development (Laksmitaningrum, 2013).

d. The Definition of Sustainability Report

Sustainability Report can be defined as a report that not only contains financial performance information but also non-financial information consisting of information on social and environmental activities that enable the company to grow sustainably (sustainable performance) (Elkington, 1997). Global Reporting Initiative as Sustainability Report's disclosure guidelines defines Sustainability Report as a practice in measure and disclose corporate activities, as a responsibility to internal and external stakeholders on organizational performance in realize sustainable development goals.

The Sustainability Report concept is derived from the Triple-Bottom Line concept introduced by John Elkington (1988). John Elkington explains the concept of Triple-Bottom Line as:

the three lines of the triple-bottom-line represent society, the economy, and the environment. Society depends on the global ecosystem, whose health represents the ultimate bottom line. The three lines are not stable; they are in constant flux, due to social-political, economic, and environmental pressures, cycle and conflicts.

Sustainability Report is a type of report that is voluntary. This report is disclosed as a complement to the financial statements, but in the submission of this report is separate from the company's financial statements. This is reinforced by Statement of Financial Accounting Standards (SFAS) No.1 paragraph ninth, that is

The company can also present additional reports such as environmental reports and value added statements, especially for industries where environmental factors play an important

role and for industries that regard employees as a group of report users who play an important role.

The implementation of the Sustainability Report in Indonesia is supported by a number of rules such as Law No.23/1997 on environmental management and the rules issued by the Indonesia Stock Exchange regarding listing procedures and requirements as well as the Statement of Financial Accounting Standards (SFAS).

Sustainability Report has provided many benefits for the company as well as for the stakeholders of the company itself. According to the World Business Council for Sustainable Development (WBCSD), the Sustainability Report provides the following benefits:

1. The Sustainability Report provides information to stakeholders (shareholders, members of local communities and governments) and improves the company's prospects, and helps to realize transparency.
2. Sustainability Report can help build a reputation as a tool that contributes to put a brand value, market share, and long-term consumer loyalty.
3. Sustainability Report can be a picture of the company manage its risks.
4. Sustainability Report can be used as a stimulation of leadership think and performance supported by the spirit of competition.
5. Sustainability Report can develop and facilitate the implementation of better management systems in manage environmental, economic and social impacts.

6. Sustainability Report tends to describe directly the ability and readiness of the company to fulfill the long-term shareholders' desires.
7. Sustainability Report helps build shareholder interest with long-term vision and helps demonstrate how to improve company value related to social and environmental issues.

Most forms of corporate Sustainability Report disclosure are disclosed through the company's website, with this media stakeholders able to access and know the form of accountability undertaken by the company. Sustainability Report can be designed by management as a rhetorical story to form an image for the user through the use of narrative text (Nugroho, 2007).

e. The Sustainability Report Disclosure Principles

Sustainability Reports Disclosure in accordance with GRI (Global Reporting Index) must meet several principles. These principles are listed in the GRI-G4 Guidelines, ie:

1. Balance

Sustainability Report should disclose the positive and negative aspects of a company's performance in order to assess the overall performance of the company.

2. Comparability

The Sustainability Report contains exist issues and information should be selected, compiled, and reported consistently.

Such information should be presented thoroughly so as to enable stakeholders to analyze changes in organizational performance over time.

3. Accuracy

Information reported in the Sustainability Report should be accurate and detailed enough to enable stakeholders to assess organizational performance.

4. Timeliness

The reporting of the Sustainability Report should be scheduled and the information available should always be available to stakeholders.

5. Clarity

The information provided in the Sustainability Report must be in accordance with the guidelines and understandable and accessible to stakeholders.

6. Reliability

The information and processes used in the preparation of the report should be properly collected, recorded, compiled, analyzed and disclosed so as to establish the quality and materiality of the information.

f. The Sustainability Report Disclosure

The Sustainability Reports Disclosure in accordance with GRI-G4 Guidelines consists of:

1. Economic

This concerns the impact the company generates on the economic conditions of stakeholders and on the economic system at the local, national, and global levels.

2. Environment

This concerns the impact the company generates on creatures on earth, and the surrounding environment including ecosystems, soil, air, and water.

3. Human rights

The existence of transparency in consider the selection of investors and suppliers contractors. The company must always pay attention to the interests of shareholders and other stakeholders based on the principle of fairness and equality in carry out its activities.

4. People

It focuses on the impact of the organization on the communities in which it operates, and reveals the potential risks of interacting with other social institutions.

5. Product Responsibility

Contains reporting of company-generated products and services that directly effect customers-health and safety, information and labeling, marketing and privacy.

6. Social

Contains social activities undertaken by the company, what has been done and how the activity is done.

Sustainability Report Disclosure needs to be done by the company because the company can gain the stakeholder trust needed for the company's business continuity. The stakeholder trust can be either investment or cooperation that has the potential to increase the productivity and sales of the company. This can effect the level of net income of the company that will increase the value of ROA in the company. The increase in ROA value shows the performance of the company that increases.

Prasetyorini (2013) stated good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value to increase.

B. Relevant Research

Several types of research of factors effecting Company Value have been conducted with various results. Here are the results of relevant research:

1. Wahyudi and Pawestri (2006), examined the Implications of Ownership Structure of Company Value with Financial Decision as Intervening Variable. Company value is proxied by Price Book Value (PBV). The ownership structure is proxied by managerial ownership and institutional ownership, while the investment decision proxy is PPE / BVA , MVE / BVE , MVA / BVA , CAP / BVA , CAP / MVA , and PER, the proxy of funding

decision is BDE, BDA, LDE, and MDE, a proxy of investment decision is DPR and Dividend Yield Ratio. The results conclude that managerial ownership has a significant effect on investment decisions and funding decisions, but not on dividend policy. This proves that shareholders, as well as managers of companies, tend to choose compensation in the form of salaries and bonuses or other long-term incentives compared with dividends. Institutional ownership has no effect on all financial decisions. Funding decisions effect the company value, but investment decisions and dividend policies have no effect on company value. Managerial ownership significantly effects company value either directly or through funding decisions.

2. Ika Wien Permanasari (2010) in her research examined the effect of Management Ownership, Institutional Ownership and Corporate Social Responsibility on Company Value. In that research found that Managerial Ownership variable has no effect on Company Value. The results of that research indicate that management ownership in Indonesia, especially for a non-financial company is still low so that the management is still acting to maximize its own utility that can harm other shareholders. The low management ownership also leads to a lack of performance so that management ownership cannot be a mechanism to increase company value.
3. Winda Nurhidayati (2013) examines the effect of Institutional Ownership, Managerial Ownership, Audit Committee, and Independent Commissioner on company performance at companies listed on the LQ45 index and found

that there is no effect between institutional ownership and managerial ownership with the performance of companies listed on LQ45.

4. The research of Jensen and Meckling (1976) proves that the variable structure of share ownership by management increases the Company Value. Management ownership is the proportion of shareholders from management who actively participate in company decision-making. The existence of management ownership in a company will create an interesting assumption that the Company Value increases as a result of increased management ownership.
5. Mudambi and Nicosia research (1995) shows that managerial ownership positively effects the company's financial performance.
6. Sujoko and Soebiantoro research (2007) institutional ownership has a negative and significant effect on company value.
7. Nugraha research (2009) stated that institutional ownership positively and significantly effects the company value.
8. Annisa and Wiwin's research (2009) related to Sustainability Report and company performance show result that companies expressing Sustainability Report have the effect on company performance in terms of profitability.
9. Soelistyoningrum (2011) variables studied are ROA, Current Ratio, and DPR. The results showed that Sustainability Report has a positive effect on financial performance. The difference lies in the ratios used.

10. Adhima (2012) examines the effect of Sustainability Report disclosures and the company financial performance. The result of this research is the Sustainability Report disclosure effect company financial performance.
11. Soelistyoningrum (2011) stated that the Sustainability Report Disclosure has a positive effect on financial performance proxied with Return on Assets (ROA).
12. Yuaningsih and Wirakusuma (2009) in their thesis entitled "The Effect of Financial Performance on Company Value by Considering Corporate Social Responsibility and Good Corporate Governance as Moderate Variables". In this research, Financial Performance as the dependent variable, Company value as an independent variable, while Corporate Social Responsibility (CSR) and Corporate Governance (GCG) as a moderate variable. The sample of this research on industrial manufacturing companies listed on the Jakarta Stock Exchange Period 2005-2006. The results showed that ROA has an effect on Company Value, CSR able to moderate the relationship between ROA and company value, but managerial ownership is not able to moderate.
13. Niyati Anggita Sari and Siti Mutmainah (2012) in their thesis entitled "The Influence of Financial Performance on Company Value with Corporate Social Responsibility and Good Corporate Governance as Moderation Variables". In this research, the dependent variable of Financial Performance, dependent variable Company value, while the variables of moderation Corporate Social Responsibility (CSR) and Corporate

Governance (GCG). The sample of research on manufacturing companies listed in Indonesia Stock Exchange period 2008-2011. The results showed ROA has no significant effect on Company Value and CSR disclosure can moderate ROA relationship with Company Value.

C. Conceptual Framework

1. The Effect of Managerial Ownership on Company Value

Previous researches have different results, some researches stated Managerial Ownership positively effects on Company Value and others stated Managerial Ownership negatively effects on Company Value. The positively effect of Managerial Ownership on Company Value is explained by Perdana and Raharja (2014) that Managerial ownership may cause managers to act in accordance with the wishes of shareholders because managers will be motivated to improve performance in order to create high Company Value. The existence of managerial ownership leads management to actively participate in corporate decision making. Managerial ownership will align management and stockholder interests so that it will benefit directly from the decisions taken and bear the losses as a consequence of wrong decision making (Suyanti *et al.*, 2010).

Jensen and Meckling research (1976) showed that managerial ownership can increase the company value. The existence of managerial ownership in a company will lead to an increase in company value as a result of increased management ownership. The higher the proportion of managerial ownership the manager will feel belonging to the company, so

that will try as much as possible by performing actions that can maximize prosperity.

The negatively effect of Managerial Ownership on Company Value is explained by Rupilu (2011) proves that managerial ownership is negatively effects company value. This indicates that the greater the managerial ownership within the company, the management tends to be less able to try to improve its performance then effect on company value.

2. The Effect of Institutional Ownership on Company Value

Previous researches have different results, some researches stated Institutional Ownership positively effects on Company Value and others stated Institutional Ownership negatively effects on Company Value. The positively effect of Institutional Ownership on Company Value is explained by Jensen and Meckling (1976) that institutional ownership can minimize agency conflicts between managers and shareholders. This is because of the higher the level of institutional ownership, the stronger the level of supervision and control conducted by external parties to the company so that the agency costs that occur within the company can be minimized and company value will increase (Suyanti et al., 2010).

The presence of supervision from shareholders will minimize opportunistic behavior of managers because managers will feel watched in every action that they do so that managers will not take action that will harm the company in order to maintain its position in the company. According to Julianti (2015), high institutional shareholding can increase company value.

This is due to an institutional role as a monitoring or control tool in enhancing company value.

Research conducted by Mukhtaruddin *et al.* (2014), proves that institutional ownership has a positive and insignificant effect on company value. While the results of Perdana and Raharja research (2014) prove that Institutional Ownership has no effect Company Value. This is possible because the institution as the owner of the company's shares has not been effective in implementing control and monitoring of management.

The negatively effect of Institutional Ownership on Company Value is explained by La Prota et al (2002) stated that problems of Institutional Ownership arise because of the separation between ownership on the principal side and control on the agent. The highervish the share ownership by managers within the company, the more productive the manager actions in maximizing the value of the company.

3. The Effect of Sustainability Report Disclosure on Company Value

Previous researches have different results, some researches stated Sustainability Report Disclosure positively effects on Company Value and others stated Sustainability Report Disclosure negatively effects on Company Value. The positively effect of Sustainability Report Disclosure on Company Value is explained by Suryono and Prastiwi in 2011 and Truth in 2014.

Company value is a certain condition that has been achieved by a company as a picture of public confidence in the company after through the

process of activities for several years. Company value is very important because with high company value will be followed by high shareholder wealth (Bringham and Gapensi, 1996). The company must be able to convince the investor to invest in his company. One way to attract investors is to publish the Sustainability Report. Investors can see firsthand how corporate responsibility forms in three important aspects, i.e economic, social and environmental performance.

One of the benefits of the Sustainability Report is to help build shareholder interest with long-term vision and help demonstrate the enhancement of company values related to social and environmental issues (Suryono and Prastiwi, 2011). The purpose of the company to issue Sustainability Report is to attract investors to buy the company's shares (Truth, 2014). The increase in the number of outstanding shares and the increase in the company's stock price, the company hopes to increase Company Value the company proxied by PBV. The increase in stock prices is due to the increased demand of investors but the limited supply.

The negatively effect of Sustainability Report Disclosure on Company Value is explained by inconsistent companies report or publish a sustainability report in every year because the sustainability report disclosure in Indonesia is still voluntary. It can decrease the confidence of investors and stakeholders due to indications of uncertainty in the sustainability of the company's business that degraded the company value (Priyadi, 2017)

4. The Effect of Managerial Ownership on Company Value through Financial Performance

Previous researches have different results of the effect of Managerial Ownership on Financial Performance. So, it causes a different effect on company value. Some researches stated Managerial Ownership positively effects on Financial Performance and others stated Managerial Ownership negatively effects on Financial Performance. The positively effect of Managerial Ownership on Financial Performance is explained by Arifani (2012) stated that the higher proportion of managerial ownership in the company causes the tendency of management to be more vigorous in the interests of shareholders because if there is a wrong decision, management will also bear the consequences. This can be shown by the existence of good management performance in managing the company that can be measured by financial performance.

Financial performance demonstrates the effectiveness of operations and is used to assess the success of company-related growth related to Company Value. Therefore, an increase in managerial ownership will lead to an increase in financial performance that may have an impact on increase company value (Julyanti, 2015).

The Signalling Theory shows that good financial performance is related to good corporate prospects that trigger investors to increase stock demand. Increased stock demand leads to an increase in company value. Therefore, signals from managers to shareholders related to good financial

performance can attract investors to invest or invest in the company so that demand for the company stock will increase and will add value to the company (Julyanti, 2015).

The negatively effect of Managerial Ownership on Financial Performance is explained by Demsetz (1983) stated provide managers with shares to align their interests with the other investor may not solve the agency problems or reduce agency costs and thus fails to improve company performance. Jusoh *et al* (2013) stated managers as owners and controllers can use their position in the company to take personal advantage at the expense of other shareholders by appointing managers who represent their own interests.

Research by Ming and Gee (2008) also had similar results that higher managerial ownership can lead to greater agency issues. When managers have relatively large equity shares, their concentrated controls allow them to use corporate disclosure for personal gain, not for the best interests of outside shareholders. So, it can degrade financial performance. Since financial performance is potively effects on company value, when managerial ownership is negatively effects on financial performance then it is also negatively effects on company value.

5. The Effect of Institutional Ownership on Company Value through Financial Performance

Previous researches have different results of the effect of Institutional Ownership on Financial Performance. So, it causes a different effect on

company value. Some researches stated Institutional Ownership positively effects on Financial Performance and others stated Institutional Ownership negatively effects on Financial Performance. The positively effect of Institutional Ownership on Financial Performance is explained by Kartika (2007).

Institutional ownership within the company will enhance more optimal supervision of management performance, which can also result in improved financial performance. Control of the company is necessary because of the tendency of managers to act not in accordance with the wishes of the company owner. Putri and Natsir (2006) stated that the supervision is not only limited to those undertaken by parties within the company but also can be done from external parties of the company that is by enable supervision through institutional investors.

Improved supervision of management performance due to institutional ownership occurs because share ownership represents a source of power that can be used to support or otherwise to the existence of management (Kartikawati, 2007). Kartikawati research results (2007) shows that institutional ownership positively effects the financial performance of the company.

Financial performance demonstrates the effectiveness of operations and is used as a way to assess the success of company-related growth and performance related to company value. Therefore, an increase in

institutional ownership will lead to an increase in financial performance that may have an impact on increase company value (Julyanti, 2015).

The negatively effect of Institutional Ownership on Financial Performance is explained by the previous researches by Wiranata and Yeterina (2013), Triwinasis (2013), and Titis Waskito (2014) stated that Institutional Ownership negatively effects on Financial Performance. The higher institutional ownership, the lower financial performance because the institutional ownership is the temporary owner and more focused on short-term profit.

Triwinasis (2013) stated that if current earnings are felt not profitable by investors, they will liquidate their shares. Since institutional investors have large shares, if they liquidate their shares, they will effect the stock as a whole. On the basis of this perspective, in order to avoid the liquidation of investors, managers will take profit management actions that will eventually also degrade company performance. Since financial performance is potively effects on company value, when institutional ownership is negatively effects on financial performance then it is also negatively effects on company value.

6. The Effect of Sustainability Report Disclosure on Company Value through Financial Performance

Previous researches have different results of the effect of Sustainability Report Disclosure on Financial Performance. So, it causes a different effect on company value. Some researches Sustainability Report Disclosure positively effects on Financial Performance and others stated

Sustainability Report Disclosure negatively effects on Financial Performance. The positively effect Sustainability Report Disclosure on Financial Performance is explained by the function of the Sustainability Report is to inform the economic, social, and environmental performance of a company. Sustainability Report is intended as a form of evidence of corporate responsibility to stakeholders and evidence that the company is within the limits of exist regulations. Sustainability Report Disclosure needs to be done by the company because the company can gain the stakeholder trust needed for the company's business continuity. The stakeholder trust can be either investment or cooperation that has the potential to increase the productivity and sales of the company. This can effect the level of net income of the company that will increase the value of ROA in the company. The increase in ROA value shows the performance of the company that increases.

Prasetyorini (2013) stated that good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value to increase. Financial performance shows the effectiveness of the company's operations and is used as a way to assess the success of growth and performance of companies related to company value.

The negatively effect Sustainability Report Disclosure on Financial Performance is explained by Susanto and Tarigan (2013) and Lesmana and Tarigan (2014) which stated it caused by expenditure for sustainability

activities so as to decrease company profit. Since financial performance is positively effects on company value, when Sustainability Report Disclosure is negatively effects on financial performance then it is also negatively effects on company value.

From the research theory and relevant research above, then in this research used the frame of thought as follows:

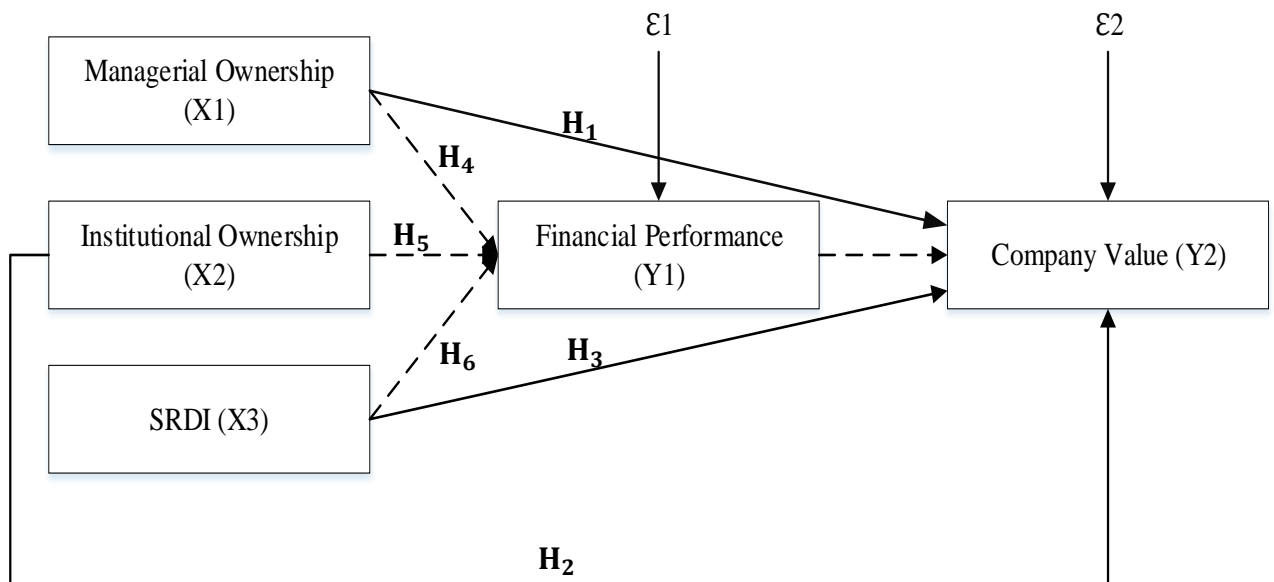


Figure 1. Conceptual Framework

Information:

—————→ = Direct effect of each independent variable on the dependent variable.

- - - - -→ = Indirect effect of each independent variable on the dependent variable through the intervening variable.

X_1, X_2, X_3 = Independent Variable

Y_1 = Intervening Variable

Y_2 = Dependent Variable

ϵ_1 = error 1

ϵ_2 = error 2

D. Research Hypotheses

Based on the description of the theory and framework, it can be formulated hypotheses as follows:

1. H1 = Managerial Ownership directly effects on Company Value
2. H2 = Institutional Ownership directly effects on Company Value
3. H3 = Sustainability Report Disclosure directly effects on Financial Performance
4. H4 = Managerial Ownership indirectly effects on Company Value through Financial Performance
5. H5 = Institutional Ownership indirectly effects on Company Value through Financial Performance
6. H6 = Sustainability Report Disclosure indirectly effects on Company Value through Financial Performance

CHAPTER III

RESEARCH METHODS

A. Types of Research

Based on its approach, this research is included in ex-post facto research that is research on events that occurred in the past to trace the factors that caused the event. Based on the type of data used, this research is a quantitative research because it uses data in the form of numbers. Based on the problem characteristics, the research is categorized in causative research. Causative research is a research that aims to determine the causal relationship between variables through hypotheses test. This research examines the effect of Ownership Structure and Sustainability Report Disclosure on Company Value with Financial Performance as an intervening variable.

B. The Research Schedule

This research was conducted use secondary data obtained from annual reports source from ww.idx.co.id and other relevant sources. The research was conducted from September 2017 until January 2018.

C. Populations and Samples of Research

1. Populations

The population is a generalization area consist of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions (Sugiyono, 2010: 61). The populations of this research are companies that publish a sustainability report during 2013 and listed in IDX.

2. Samples

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2010: 62). Sampling technique in this research use purposive sampling technique. The technique of determining sample with certain consideration and criterion (Sugiyono, 2010: 68). The following are the sample criteria used in this research:

1. Companies publish Sustainability Reports during 2013-2016
2. Companies have institutional and managerial ownership during 2013-2016
3. Companies earn profit during 2013-2016
4. Companies provide a complete annual report during 2013-2016.

D. Operational Definition and Research Variable

This research uses independent variables Ownership Structure proxied by Managerial Ownership (X_1), Institutional Ownership (X_2) dan Sustainability Report Disclosure (X_3), Intervening variable is Financial Performance (Y_1), and the dependent variable is Company Value (Y_2).

1. Dependent Variable

The dependent variable is effected by an independent variable or becomes the result because there are independent variables (Sugiyono, 2010: 4). The dependent variable in this research is Company Value. Company Value is a value that shows a reflection of the equity and book value of a company, whether it be the market value of equity, the book value of the total debt and the book value of the total equity. Company value is

measured by Price Book Value (PBV). PBV attributes the share price to the share book value per share. This PBV ratio indicates investors' opinions on future prospects. This ratio of PBV can be calculated use the following formula:

$$PBV = \frac{\text{Market price per share}}{\text{Book value per share}} \times 100\%$$

2. Independent Variable

The independent variable is the variable causes the occurrence or change of the dependent variable (Sugiyono, 2010: 4). The independent variables in this research are Ownership Structure proxied with Managerial Ownership and Institutional Ownership, and Sustainability Report disclosure with Sustainability Report Disclosure Index (SRDI).

a. Managerial Ownership (X_1)

Wahidahwati (2002) defines Managerial Ownership as a percentage of share ownership by managers, commissioners, boards of directors or parties directly visible in decision making. Managerial ownership can be calculated by the formula:

$$MNJR = \frac{\Sigma \text{Shares owned by managers, commissioners, and directors}}{\Sigma \text{shares outstanding}} \times 100\%$$

b. Institutional Ownership (X_2)

Institutional ownership is a shareholding by governments, financial institutions, institutional entities, foreign institutions, trusts and other institutions at the end of the year (Anindhita, 2010: 18).

Institutional ownership can be calculated by the formula:

$$INST = \frac{\Sigma \text{Shares owned by the institution}}{\Sigma \text{shares outstanding}} \times 100\%$$

c. Sustainability Report Disclosure Index (X_3)

The Sustainability Report Disclosure Index (SRDI) is measured by the number of disclosures required in the GRI G4 Guidelines covering 91 disclosure items. The formula for the Sustainability Report Disclosure Index is (Ria and Josua, 2014):

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

Information:

SRDI : Company's Sustainability Report Disclosure Index

n : Number of items disclosed by the company

k : Number of expected items

3. Intervening Variable

The intervening variable is an intermediate variable or interrupts which lies between the independent variable and the dependent variable, so the independent variable does not directly effect the change or the incidence of the dependent variable (Sugiyono, 2010: 6). The intervening variable used in this research is the Financial Performance proxied by Return on Assets (ROA).

Return on Assets (ROA) is one of profitability to measure the ability of the company over the entire funds invested in the activities used by the operations of the company with the aim of generate profits by utilize its assets (Ang, 2007)

$$ROA = \frac{Net\ Profit}{Total\ Assets}$$

E. Data Collection Techniques

This research use secondary data taken from the company annual report and sustainability report that fulfill the sample criteria. Data obtained through the official website of Indonesia Stock Exchange (IDX) is www.idx.co.id and the website of each company. Library research or literature through textbooks, scientific journals, articles, and other written sources relate to the information required and used as a source of data collection. Data collection techniques used are documentation method to collect annual report and sustainability report.

F. Data Analysis Techniques

1. Descriptive Statistic

The descriptive statistic is the numerical representation of data. Descriptive statistic presents important numerical measures for sample data. The descriptive statistic is also used to find out the mean, minimum, maximum and standard deviation of the variables studied.

2. Classic Assumption Test

Classic assumption test is required to test the hypotheses by multiple regression analysis. The classical assumption test used such as:

a. Normality Test

The normality test aims to test whether in the regression model the intruder or residual variable has a normal or near-normal distribution (Ghozali, 2011: 160). In order to avoid bias, the data used should be normally distributed.

The instrument used in performing the normality test is the One-Sample Kolmogorov-Smirnov Test. Decision-making on normality is as follows:

- 1) If $p \leq 0,05$ then the data distribution is not normal.
- 2) If $p > 0,05$ then the data distribution is normal.

b. Multicollinearity Test

Multicollinearity test aims to test whether in the regression model found the correlation between independent variables (Ghozali, 2011: 105). In a good regression model, there should be no correlation between the independent variables. To know whether or not the correlation between independent variables in the regression model can be seen by looking at tolerance and VIF (Variance Inflation Factor) (Ghozali, 2011: 106):

- 1) If tolerance values $> 0,10$ and $VIF < 10$, then it can be interpreted that there is no multicollinearity in the research.
- 2) If the tolerance values $\leq 0,10$ and $VIF \geq 10$, then the multicollinearity interference occurs in the research.

c. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t with the intruder error in period $t-1$ (previous). Ghozali, (2011: 110) explains autocorrelation arises because of sequential observations over time-related to each other. Problems arising because

residuals are not free from one observation to another. A good regression model is free of autocorrelation. Autocorrelation test can be performed use the Durbin-Watson (DW) test, which test results are determined based on Durbin Watson (DW).

The null hypotheses	Decision	If
There is no positive autocorrelation	Decline	$0 < d < d_l$
There is no positive autocorrelation	No decision	$d_l \leq d \leq d_u$
There is no negative autocorrelation	Decline	$4 - d_l < d < 4$
There is no negative autocorrelation	No decision	$4 - d_u \leq d \leq 4 - d_l$
There is no autocorrelation, positive or negative	Not Decline	$d_u < d < 4 - d_u$

Source: Ghozali, (2011: 111)

d. Heteroskedasticity Test

Ghozali (2011: 139) explains heteroskedasticity test aims to test whether in the regression model occurs variance inequality from residual one observation to another observation. If the residual variance of one observation to another observation remains, then it is called homoscedasticity and if different is called heteroscedasticity. A good regression model is homoscedasticity or does not occur heteroscedasticity.

One of the tests to determine whether or not heteroscedasticity is by doing Glejser test (Ghozali, 2011: 142). The Glejser test can be performed by regressing the absolute value of the independent variable. If the independent variable is statistically significant to effect the dependent variable, then there is an indication of heteroscedasticity.

Criteria used to state that the research is free from heteroskedasticity disturbance one of them by coefficient significance that has been set that is 5% (0,05). If the level of significance $> 0,05$ then it can be concluded there are no interference heteroskedasticity or homoskedasticity occurs.

3. Hypotheses Test

In this research, hypotheses test of Ownership Structure (proxied by Managerial Ownership and Institutional Ownership), Sustainability Report Disclosure (proxied by Sustainability Report Disclosure Index) and Financial Performance (proxied by Return on Assets) on Company Value effect use:

a. Path Analysis

Path analysis is a technique for analyze the causal relationships that occur in multiple regression if the independent variables effect the dependent variable not only directly, but also indirectly (Robert D. Rutherford, 1993). Path analysis used to test the hypotheses in this research with the following steps:

- 1) Determine the path diagram model based on the paradigm of a relationship between variables as follows:

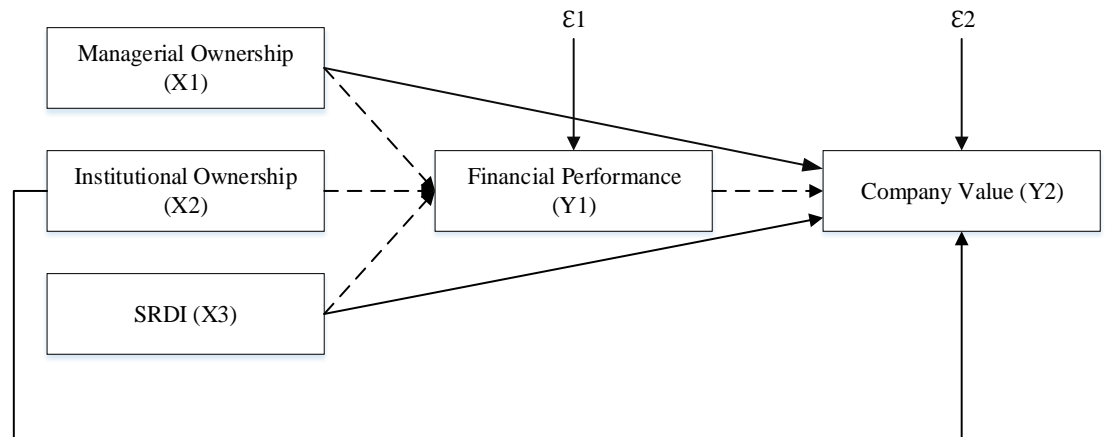


Figure 2. The Paradigm of a Relationship Between Variables

2) Make the structure path diagram as follows:

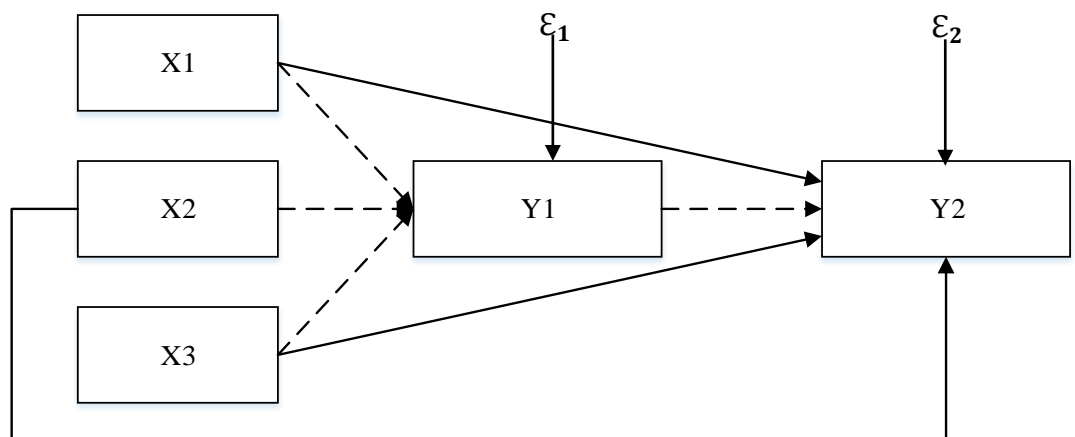


Figure 3. The Structure Path Diagram

The path diagram consists of two structural equations, which X_1 , X_2 , and X_3 are exogenous variables and Y_1 dan Y_2 are endogenous variables. Therefore, the structural equation are:

$$Y_1 = P_{Y_1 X_1} X_1 + P_{Y_1 X_2} X_2 + P_{Y_1 X_3} X_3 + \epsilon_1 \text{ (As a substructure equation 1)}$$

$$Y_2 = P_{Y_2 X_1} X_1 + P_{Y_2 X_2} X_2 + P_{Y_2 X_3} X_3 + P_{Y_2 Y_1} Y_1 + \epsilon_2 \text{ (As a substructure equation 2)}$$

3) Analysis with SPSS consist of two steps, analysis for substructure 1 and for substructure.

Substructure 1

Analysis

Its structural equation:

$$Y_1 = P Y_1 X_1 + P Y_1 X_2 + P Y_1 X_3 + \varepsilon_1$$

Information:

P = Regression Coefficients

Y_1 = Financial Performance

X_1 = Managerial Ownership

X_2 = Institutional Ownership

X_3 = SRDI

ε_1 = *error*

First is to calculate the regression equation by SPSS application and use menu analyze. After that obtained the calculation results (output) in the form of summary model tables, ANOVA, and coefficients.

(Jonathan Sarwono, 2007: 27)

Substructure 2

Analysis

Its structural equation:

$$Y_2 = P Y_2 X_1 + P Y_2 X_2 + P Y_2 X_3 + P Y_2 Y_1 + \varepsilon_2$$

Information:

P = Regression Coefficients

Y_1 = Financial Performance

Y_2 = Company Value

X_1 = Managerial Ownership

X_2 = Institutional Ownership

X_3 = SRDI

\mathcal{E}_2 = *error*

The next step is to calculate the regression equation with the help of SPSS application and use menu analyze. After that obtained the calculation (output) in the form of the summary model, anova, and coefficients.

4) Interpretation of substructure results 1

a) Regression Analysis

See the effect of Managerial Ownership, Institutional Ownership, and SRDI partially on Financial Performance.

(1) The effect of Managerial Ownership and Financial Performance.

(2) The effect between Institutional Ownership and Financial Performance.

(3) The effect of SRDI and Financial Performance.

To see the magnitude of the effect of variable Managerial Ownership, Institutional Ownership, and SRDI on Financial Performance individually partially used t Test. Meanwhile, to see the magnitude of influence used the number of Betas or Standardized Coefficient. The steps in the hypotheses test are:

(1) Determine the hypotheses that are H0 and H1

- (2) Calculate the magnitude of t_{count} , the magnitude of t_{count} can be seen in the calculation of SPSS (table coefficients)
- (3) Calculate the magnitude of t_{table} with the tariff of significance level of 0.05 and Degrees of Freedom (DF) with the following conditions:

$$DF = n - 2 \text{ (Jonathan Sarwono, 2007)}$$

- (4) Determine the hypotheses test criteria as follows:
 - If $t_{count} > t_{table}$, then H_0 is rejected and H_1 accepted
 - If $t_{count} \leq t_{table}$, then H_0 is accepted and H_1 rejected
- (5) Make a decision on whether there are influences from each variable X_1, X_2, X_3 on variable Y_1 .

5) Interpretation of substructure results 2

a) Regression Analysis

See the effect of Managerial Ownership, Institutional Ownership, and SRDI partially on Company Value.

- (1) The effect of Managerial Ownership on Company Value.
- (2) The effect of Institutional Ownership on Company Value.
- (3) The effect of SRDI on Company Value.
- (4) The effect of Financial Performance on Company Value.

To see the variable effect magnitude of Managerial Ownership, Institutional Ownership, SRDI and Financial Performance on Company Value individually or partially used t-Test. Meanwhile, to see the magnitude of effect used the

number of Betas or Standardized Coefficient. The steps in test the hypotheses are:

- (1) Determine the hypotheses are H0 and H1
- (2) Calculate the magnitude of t_{count} , the magnitude t_{count} contained in the calculation of SPSS (coefficients table).
- (3) Calculate the magnitude of t_{table} with the significance tariff of 0,05 and the Degree of Freedom (DF) with the conditions:

$$DF = n - 2 \text{ (Jonathan Sarwono, 2007)}$$

- (4) Determine the hypotheses test criteria as follows:

If $t_{count} > t_{table}$, then H0 is rejected and H1 accepted

Jika $t_{count} \leq t_{table}$, then H0 is accepted and H1 rejected

- (5) Make a decision on whether there are influences from each the X_1, X_2, X_3 variables and Y_1 on Y_2 variable.

6) Calculation of effect

a) Direct Effect (DE)

Jonathan Sarwono (2007: 46) explains that to know the direct effect (DE), used the formula as follows:

- (1) The effect of Managerial Ownership on Financial Performance.

$$X_1 \rightarrow Y_1$$

- (2) The effect of Institutional Ownership on Financial Performance.

$$X_2 \rightarrow Y_1$$

(3) The effect of SRDI on Financial Performance.

$$X_3 \rightarrow Y_1$$

(4) The effect of Managerial Ownership on Company Value.

$$X_1 \rightarrow Y_2$$

(5) The effect of Institutional Ownership on Company Value.

$$X_2 \rightarrow Y_2$$

(6) The effect of SRDI on Company Value.

$$X_3 \rightarrow Y_2$$

(7) The effect of Financial Performance on Company Value.

$$Y_1 \rightarrow Y_2$$

b) Indirect Effect (IE)

Jonathan Sarwono (2007: 46) explains that to know the indirect effect (IE) used the formula as follows:

(1) The effect of Managerial Ownership on Company Value through Financial Performance.

$$X_1 \rightarrow Y_1 \rightarrow Y_2$$

(2) The effect of Institutional Ownership on Company Value through Financial Performance.

$$X_2 \rightarrow Y_1 \rightarrow Y_2$$

(3) The effect of SRDI on Company Value through Financial Performance.

$$X_3 \rightarrow Y_1 \rightarrow Y_2$$

c) Total Effect

Jonathan Sarwono (2007: 46) explains that to know the total effect used the formula as follows:

- (1) The effect of Managerial Ownership on Company Value through Financial Performance.

$$X_1 \rightarrow Y_1 \rightarrow Y_2$$

- (2) The effect of Institutional Ownership on Company Value through Financial Performance.

$$X_2 \rightarrow Y_1 \rightarrow Y_2$$

- (3) The effect of SRDI on Company Value through Financial Performance.

$$X_3 \rightarrow Y_1 \rightarrow Y_2$$

- (4) The effect of Managerial Ownership on Company Value

$$X_1 \rightarrow Y_2$$

- (5) The effect of Institutional Ownership on Company Value.

$$X_2 \rightarrow Y_2$$

- (6) The effect of SRDI on Company Value.

$$X_3 \rightarrow Y_2$$

- (7) The effect of Financial Performance on Company Value.

$$Y_1 \rightarrow Y_2$$

- 7) Create a path diagram for model II with regard to both indirect, direct and total effects.

8) Determine the conclusions of this research on the effect of Managerial Ownership, Institutional Ownership and SRDI on Financial Performance and Company Value either jointly or partially.

b. Sobel Test

Sobel Test is used to test the fourth to sixth hypotheses, i.e the effect of Managerial Ownership, Institutional Ownership, and SRDI on Company Value through Financial Performance. Sobel test is done by test the indirect effect strength of X_1 , X_2 , X_3 variables on Y_2 variable through Y_1 variable. Hayes and Preacher in Ghazali (2011: 256) developed a test of Sobel in the form of SPSS script as follows:

- 1) Open the file to be tested
- 2) From SPSS main menu select Open then Script
- 3) Open Sobel_spss Script, select open and it will look script view
- 4) Select Macro then Run and fill in independent variable, intervening and dependent
- 5) In the box, Sobel-test standard error fill second order and at bootstrap sample fill "1000"
- 6) Select OK and look at the results of the test-boot and bootstrap output

In result of an output of Sobel test of Indirect Effect (IE) section seen a coefficient value of variable mediation X_1 , X_2 , X_3 on Y_2 variable through Y_1 variable which is multiplication between coefficient $b(MX)$

and $b(YM.X)$ will see the magnitude of significance. If the output of the test result is equal to the manual test it can be concluded that there is a mediation relationship.

CHAPTER IV

RESULT AND DISCUSSION

A. Data Description

This research aims to determine the effect of Ownership Structure (proxied by Managerial Ownership and Institutional Ownership) and Sustainability Report Disclosure on Company Value with Financial Performance as an intervening variable in companies disclose Sustainability Report during 2013-2016. This research uses secondary data of annual reports and sustainability reports of companies that listed on Indonesia Stock Exchange during 2013-2016.

Based on data obtained from the IDX through the website www.idx.co.id, the population in this research are 39 companies. After the selection based on predetermined criteria obtained 10 companies as a sample. There are two financial companies and eight non-financial companies. Determination of sample use purposive sampling method with criteria which have been described in Chapter III.

B. Descriptive Statistics Analysis

The variables use in this research are Ownership Structure (proxied by Managerial Ownership (MNJR) and Institutional Ownership (INST), Sustainability Report Disclosure (SRDI), Financial Performance (ROA), and Company Value (PBV). The descriptive tests result of effect between independent variables, intervening variable, and dependent variable as follows:

1. Company Value

Table 1. Company Value Descriptive Statistic

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
PBV	40	.9700	4.7800	2.434250	.9872466
Valid N (listwise)	40				

Source: Secondary Data Processed (2017)

Based on table 1, the Company Value ranges from 0,97-4,78 with the mean value is 2,43425, and the standard deviation is 0,9872466. The mean value is 2,43425 means the average companies are valued at a market price of 2,43425 times the actual price. The company that has the lowest Company Value in this research is PT. Bank Pembangunan Daerah Jawa Timur in 2013 while the company with the highest Company Value is PT. Total Bangun Persada in 2014.

2. Managerial Ownership

Table 2. Managerial Ownership Descriptive Statistic

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
MNJR	40	.0000003	.0182501	.002915932	.0055394071
Valid N (listwise)	40				

Source: Secondary Data Processed (2017)

Based on table 2, the amount of Managerial Ownership ranges from 0,0000003-0,0182501, the mean value is 0,002915932, and the standard deviation is 0,0055394071. The mean value is 0,002915932 means the average shares of the companies owned by managers, commissioners, and directors are 0,2915932% of the total outstanding shares. The company that

has the lowest Managerial Ownership in this research is PT. Telekomunikasi Indonesia in 2013 and 2014 while the company that has the highest Managerial Ownership is PT. Total Bangun Persada in 2013 and 2014.

3. Institutional Ownership

Table 3. Institutional Ownership Descriptive Statistic

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
INST	40	.0700	.8100	.546000	.1927906
Valid N (listwise)	40				

Source: Secondary Data Processed (2017)

Based on table 3, the amount of Institutional Ownership ranges from 0,07-0,81, the mean value is 0,546, and the standard deviation is 0,1927906. The mean value is 0,546 means the average company shares owned by the institution are 54,6% of the total outstanding shares. The company that has the lowest Institutional Ownership of this research is PT. Total Bangun Persada in 2013, while the company that has the highest Institutional Ownership is PT. Bank Pembangunan Daerah Jawa Timur during 2013-2016.

4. Sustainability Report Disclosure

Table 4. Sustainability Report Descriptive Statistic

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
SRDI	40	.0900	.9700	.333250	.1678887
Valid N (listwise)	40				

Source: Secondary Data Processed (2017)

Based on table 4, the Sustainability Report Disclosure ranges from 0,09-0,97, the mean value is 0,333250, and standard deviation is 0,1678887.

The mean value is 0,333250 means the average companies disclose a sustainability report item is 33,325% of the 91 items should be disclosed. The company that has the lowest Sustainability Report Disclosure in this research is PT. Total Bangun Persada in 2013 while the company that has the highest Sustainability Report Disclosure is PT. Tambang Batubara Bukit Asam in 2015.

5. Financial Performance

Table 5. Financial Performance Descriptive Statistic

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
ROA	40	.0200	.1860	.070225	.0398359
Valid N (listwise)	40				

Source: Secondary Data Processed (2017)

Based on table 5, the Sustainability Report Disclosure ranges from 0,02-0,186, the mean value is 0,070225, and the standard deviation is 0,0398359. The mean value is 0,070225 means tfor every Rp 1 asset used, the companies are able to generate Rp 0,070225 net profit or 7% net profit from total assets used. The company that has the lowest Financial Performance in this research is PT. Bank Negara Indonesia in 2015, while the company that has the highest Financial Performance is PT. Perusahaan Gas Negara in 2013.

C. Classic Assumption Test Result

Here are the substructure equations in this research:

$$\text{Substructure equation 1: } Y_1 = P Y_1 X_1 + P Y_1 X_2 + P Y_1 X_3 + \epsilon_1$$

$$\text{Substructure equation 2: } Y_2 = P Y_2 X_1 + P Y_2 X_2 + P Y_2 X_3 + P Y_2 Y_1 + \epsilon_2$$

1. Classic Assumption Test Results of Substructure Equation 1

Substructure equation 1:

$$Y_1 = P Y_1 X_1 + P Y_1 X_2 + P Y_1 X_3 + \varepsilon_1$$

a. Normality Test

Table 6. The Normality Test Result of Substructure Equation I

N	40
Test Statistic	.111
Asymp. Sig. (2-tailed)	.200 ^{c,d}

Source: Secondary Data Processed (2017)

Based on table 6 above, the result of normality test shows the Asymp Sig value is 0,200 (> 0,05) which is higher than the 0,05 significance (0,200 > 0,05). So, it can be concluded the residual data in this research are normally distributed.

b. Multicollinearity Test

Table 7. The Multicollinearity Test Result of Substructure Equation I

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	MNJR	.785	1.275
	INST	.775	1.290
	SRDI	.985	1.015

Source: Secondary Data Processed (2017)

Based on table 7, the multicollinearity test result shows the overall Tolerance of Managerial Ownership (MNJR), Institutional Ownership (INST), and Sustainability Report Disclosure (SRDI) values above 0,10 (> 0,10). The VIF (Variance Inflation Factor) calculation also shows the overall value of Managerial Ownership (MNJR), Institutional Ownership (INST), and Disclosure Sustainability Report

(SRDI) under 10 (≤ 10). It can be concluded that there is no multicollinearity interference in the model of substructure equation 1.

c. Autocorrelation Test

Table 8. The Autocorrelation Test Result of Substructure Equation I

Model Summary	Value
k;N	40
dU	1,6589
4-dU	2,3411
Durbin-Watson	1,669

Source: Secondary Data Processed (2017)

Based on table 8, the autocorrelation test result shows the Durbin-Watson value is 1,669, dU= 1,6589, and 4-dU= 2,3411. The Durbin-Watson value of 1.669 is between (1.6589 - 2.3411). Thus, the model of substructure equation 1 is free of autocorrelation problem.

d. Heteroscedasticity Test

Table 9. The Heteroscedasticity Test Result of Substructure Equation I

Model		T	Sig.
1	(Constant)	.392	.697
	MNJR	-.254	.801
	INST	-.221	.826
	SRDI	-1.857	.072

Source: Secondary Data Processed (2017)

Based on table 9, the result of heteroscedasticity test through Glejser test shows the significance value of each independent variable is higher than 0,05 ($> 5\%$). Thus it can conclude the model of substructure equation 1 is free of heteroscedasticity interference.

2. Classic Assumption Test Results of Substructure Equation 2

Substructure equation 2:

$$Y_2 = P Y_2 X_1 + P Y_2 X_2 + P Y_2 X_3 + P Y_2 Y_1 + \epsilon_2$$

a. Normality Test

Table 10. The Normality Test Result of Substructure Equation II

N	40
Test Statistic	.121
Asymp. Sig. (2-tailed)	.146 ^c

Source: Secondary Data Processed (2017)

Based on table 10, the result of normality test shows Asymp Sig value of 0,146 (> 0,05) is higher than the 0,05 significance (0,146 > 0,05) so it can be conclude the residual data in this research are normally distributed.

b. Multicollinearity Test

Table 11. The Multicollinearity Test Result of Substructure Equation II

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	MNJR	.605	1.653
	INST	.671	1.490
	SRDI	.764	1.310
	ROA	.628	1.594

Source: Secondary Data Processed (2017)

Based on table 11, the multicollinearity test result shows the overall Tolerance of Managerial Ownership (MNJR), Institutional Ownership (INST), Sustainability Report Disclosure (SRDI), and Financial Performance (ROA) above 0,10 (> 0,10). The VIF (Variance Inflation Factor) calculation also shows the overall value of Managerial Ownership (MNJR), Institutional Ownership (INST), Sustainability Report Disclosure (SRDI), and Financial Performance (ROA) under 10

(≤ 10). It can be concluded that there is no multicollinearity interference in the model of substructure equation 2.

c. Autocorrelation Test

Table 12. The Autocorrelation Test Result of Substructure Equation II

Summary Model	Value
k;N	40
dU	1,7209
4-dU	2,2791
Durbin-Watson	1,981

Source: Secondary Data Processed (2017)

Based on table 12, the result of the autocorrelation test shows a Durbin-Watson value of 1,981, the value $dU = 1.7209$ and $4-dU = 2,2791$. Thus, the model of substructure equation 2 is free of autocorrelation problem.

d. Heteroscedasticity Test

Table 13. The Heteroscedasticity Test Result of Substructure Equation II

	Model	T	Sig.
1	(Constant)	2.111	.042
	MNJR	.945	.351
	INST	.335	.739
	SRDI	.841	.406
	ROA	.698	.490

Source: Secondary Data Processed (2017)

Based on table 13, the result of heteroscedasticity test shows the significance value of each independent variable is higher than 0,05 (> 5%). Thus it can be concluded the model of substructure equation 1 used in this research is free of heteroscedasticity interference.

D. Hypotheses Test Result

Hypotheses are the answer while to the problems that are formulated. The temporary answer needs to be tested empirically. Hypotheses test in this research is done by:

1. Path Analysis

Path analysis is a technique for analyze the causal relationships that occur in multiple regression if the independent variables effect the dependent variable not only directly, but also indirectly. Jonathan (2007: 39-40) described the criteria used in this hypotheses test:

- a. See the magnitude of the t_{count} and compare it with the t_{table} and by looking at the specified significance level of 5%. If $t_{count} > t_{table}$ and significance value $< 0,05$ then hypotheses accepted whereas if $t_{count} \leq t_{table}$ and significance value $\geq 0,05$ hence hypotheses rejected.
- b. The amount of t_{table} is calculated by looking at degrees of freedom (DF) by $DF = n-2$ or $DF = 40-2 = 38$ and the significance value in this research is 0,05 (5%). The use of significance of 5% indicates that a confidence level of 95% and the error rate tolerated in this research is 5%. The value of each regression coefficient is known through the calculation of SPSS Statistic 23 For Windows.

Here are an explanation of the results of hypotheses test for substructure equations 1:

1) The Effect of Managerial Ownership (MNJR) on Financial Performance (ROA)

Table 14. The Test Result of Managerial Ownership on Financial Performance Effect

Dependent Variables: ROA							
Independent Variable	B	Std Error	Beta	t Value			Information
				t_{count}	t_{table}	Sig	
MNJR	-0,102	0,031	-0,487	-3,270	2,024	0,002	Has an Effect

Source: Secondary Data Processed (2017)

Based on table 14, the t_{count} value is -3,270 while the t_{table} value at the 0,05 significance is 2,024, so $t_{count} > t_{table}$ (3,270 > 2,024). The significance probability value is 0,002 or lower than 0,05 (0,002 < 0,05). It can be concluded that Managerial Ownership effects on Financial Performance.

2) The Effect of Institutional Ownership (INST) on Financial Performance (ROA)

Table 15. The Test Result of Institutional Ownership on Financial Performance Effect

Dependent Variables: ROA							
Independent Variable	B	Std Error	Beta	t Value			Information
				t_{count}	t_{table}	Sig	
INST	-0,342	0,145	-0,354	-2,363	2,024	0,024	Effect

Source: Secondary Data Processed (2017)

Based on table 15, the t_{count} value is -2,363 while t_{table} value at the 0,05 significance is 2,024, so $t_{count} > t_{table}$ (2,363 > 2,024). The significance probability value is 0,024 or lower than 0,05 (0,024 < 0,05). It can be concluded that Institutional Ownership effects on Financial Performance.

3) The Effect of Sustainability Report Disclosure (SRDI) on Financial Performance (ROA)

Table 16. The Test Result of Sustainability Report Disclosure on Financial Performance Effect

Dependent Variable: ROA							
Independent Variable	B	Std Error	Beta	t Value			Information Has an Effect
				t_{count}	t_{table}	Sig	
SRDI	0,543	0,168	0,430	3,233	2,024	0,003	

Source: Secondary Data Processed (2017)

Based on table 16, the t_{count} value is 3,233 while t_{table} value at the 0,05 significance is 2,024, so $t_{count} > t_{table}$ (3,233 > 2,024). The significance probability value is 0,003 or lower than 0,05 (0,003 < 0,05). It can be concluded that Sustainability Report Disclosure effects on Financial Performance.

4) The Direct Effect of Managerial Ownership (MNJR) on Company Value (PBV)

Table 17. The Test Result of Managerial Ownership on Company Value Effect

Dependent Variable: PBV							
Independent Variable	B	Std Error	Beta	t Value			Information Has an Effect
				t_{count}	t_{table}	Sig	
MNJR	0,055	0,023	0,375	2,386	2,024	0,023	

Source: Secondary Data Processed (2017)

Based on table 17, the t_{count} value is 2,386 while t_{table} value at the 0,05 significance is 2,024, so $t_{count} > t_{table}$ (2,386 > 2,024). The significance probability value of 0,023 or lower than 0,05 (0,023 < 0,05). It can be concluded that Managerial Ownership effects on Company Value. So, the first hypotheses "Managerial Ownership directly effects on Company Value " is **accepted**.

5) The Direct Effect of Institutional Ownership (INST) on Company Value (PBV)

Table 18. The Test Result of Institutional Ownership on Company Value Effect

Dependent Variable: PBV							
Variabel Independen	B	Std Error	Beta	t Value			Information
				t_{count}	t_{table}	Sig	
INST	0,055	0,101	0,080	0,538	2,024	0,594	Has no Effect

Source: Secondary Data Processed (2017)

Based on table 18, the t_{count} value is 0,538 while the t_{table} value at the 0,05 significance is 2,024, so $t_{count} < t_{table}$ (0,538 < 2,024). The significance probability value of 0,594 or higher than 0,05 (0,594 > 0,05). It can be concluded that Institutional Ownership has no direct effect on Company Value. So, the second hypotheses "Institutional Ownership directly effects on Company Value" is rejected.

6) The Direct Effect of Sustainability Report Disclosure (SRDI) on Company Value (PBV)

Table 19. The Test Result of Sustainability Report Disclosure on Company Value Effect

Dependent Variable: PBV							
Independent Variable	B	Std Error	Beta	t Value			Information
				t_{count}	t_{table}	Sig	
SRDI	-0,112	0,124	-0,126	-0,902	2,024	0,373	Effect

Source: Secondary Data Processed (2017)

Based on table 19, the t_{count} value is -0,902 while t_{table} value at the 0,05 significance is 2,024, so $t_{count} < t_{table}$ (0,902 < 2,024). The significance probability value is 0,373 or higher than 0,05 (0,373 > 0,05). It can be concluded that Sustainability Report

Disclosure has no direct effect on Company Value. So, the third hypotheses "Sustainability Report Disclosure directly effects on Company Value" is **rejected**.

7) The Effect of Financial Performance (ROA) on Company Value (PBV)

Table 20. The Test Result of Financial Performance on Company Value Effect

Dependent Variable: PBV							
Independent Variable	B	Std Error	Beta	t Value			Information
				t_{count}	t_{table}	Sig	
ROA	0,562	0,109	0,799	5,175	2,024	0,000	Has an Effect

Source: Secondary Data Processed (2017)

Based on table 20, the t_{count} value is 5,175 while the t_{table} value at the 0,05 significance is 2,024, so $t_{count} > t_{table}$ (5,175 > 2,024). The significance probability value is 0,000 or lower than 0,05 (0,000 < 0,05). It can be concluded that Financial Performance directly effects on Company Value.

Table 21. Beta Value

Test	Beta Value
The Effect of Managerial Ownership on Financial Performance	-0,487
The Effect of Institutional Ownership on Financial Performance	-0,354
The Effect of Sustainability Report Disclosure on Financial Performance	0,430
The Effect of Managerial Ownership on Company Value	0,375
The Effect of Institutional Ownership on Company Value	0,080
The Effect of Sustainability Report Disclosure on Company Value	-0,126
The Effect of Financial Performance on Company Value	0,799

Source: Secondary Data Processed (2017)

Based on the table, it can be calculated the amount of effect:

a. Direct Effect (DE)

(1) The effect of Managerial Ownership on Financial Performance
= -0,487

(2) The effect of Institutional Ownership on Financial Performance
= -0,354

(3) The effect of Sustainability Report Disclosure on Financial Performance
= 0,430

(4) The effect of Managerial Ownership on Company Value
= 0,375

(5) The effect of Institutional Ownership on Company Value
= 0,080

(6) The effect of Sustainability Report Disclosure on Company Value
= -0,126

(7) The effect of Financial Performance on Company Value
= 0,799

b. Indirect Effect (IE)

(1) The effect of Managerial Ownership on Company Value through Financial Performance

$$= -0,487 \times 0,799 = -0,389113$$

(2) The effect of Institutional Ownership on Company Value through Financial Performance

$$= -0,354 \times 0,799 = -0,282846$$

(3) The effect of Sustainability Report Disclosure on Company Value through Financial Performance

$$= 0,430 \times 0,799 = 0,34357$$

c. Total Effect

(1) The effect of Managerial Ownership on Company Value through Financial Performance

$$= -0,487 + 0,799 = 0,312$$

(2) The effect of Institutional Ownership on Company Value through Financial Performance

$$= -0,354 + 0,799 = 0,445$$

(3) The effect of Sustainability Report Disclosure on Company Value through Financial Performance

$$= 0,430 + 0,799 = 1,229$$

(4) The effect of Managerial Ownership on Company Value

$$= 0,375$$

(5) The effect of Institutional Ownership on Company Value

$$= 0,080$$

(6) The effect of Sustainability Report Disclosure on Company Value

$$= -0,126$$

(7) The effect of Financial Performance on Company Value

$$= 0,799$$

From the calculations are then used to make the Model Line

Diagram 2 as follows:

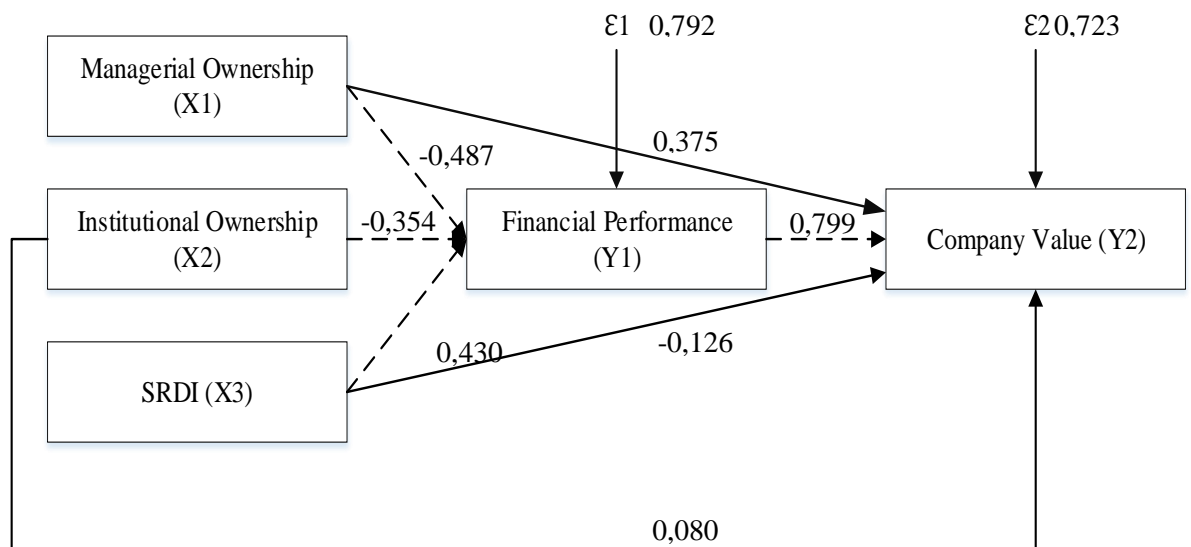


Figure 4. The Model Line Diagram 2

Based on the picture above diagram, it can be concluded the structural equation as follows:

1) Substructure 1: $Y_1 = -0,487X_1 - 0,354X_2 + 0,430X_3 + 0,792$

Based on the equation can be interpreted if the Managerial Ownership increases one point, then the Financial Performance will decrease by 0,487 points with the assumption that the variables X_2 and X_3 are constant. Furthermore, if the Institutional Ownership increases one point, then the Financial Performance will decrease by 0,354 points with the assumption that X_1 and X_3 are constant. If the Sustainability Report Disclosure increases one

point, then the Financial Performance will increase by 0,792 assume the X_1 and X_2 are constant. The three independent variables (Managerial Ownership, Institutional Ownership, and Sustainability Report Disclosure) can explain the Financial Performance variable of 20,8%, while the rest of 0,792 or 79,2% are explained by other independent variable.

2) Substructure 2 : $Y_2 = 0,375X_1 + 0,080X_2 - 0,126X_3 + 0,799Y_1 + 0,723$

Based on the equation, it can be interpreted if the Managerial Ownership increases one point, then the Company Value will increase by 0,375 points with the assumption that X_2 and X_3 are constant. Furthermore, if the Institutional Ownership increases one point, then the Company Value will increase 0,080 points with the assumption that X_1 and X_3 are constant. If the Sustainability Report Disclosure increase one point, then the Company Value will decrease by 0,126 assume the X_1 and X_2 constant. If the Financial Performance increases one point, then the Company Value will increase by 0,799 assume the X_1 , X_2 , and X_3 are constant. The three independent variables (Managerial Ownership, Institutional Ownership, and Sustainability Report Disclosure) and intervening variable (Financial Performance) can explain the Company Value variable of 27,7%, while the rest of 0,723 or 72,3% are explained by other independent variables.

2. Sobel Test Result

The Sobel test is used to test fourth, fifth, and sixth hypotheses. The Sobel test is performed by test the indirect effect strength of the X_1 , X_2 , and X_3 on Y_2 through Y_1 variable. The test criterion for sobel test as it is tested by Ghozali (2011: 256) is when the output of the test result is the same as the manual test, so it can be concluded that there is a mediation relationship (in this case Y_1 is the intervening variable). Below is a summary of the sobel test results for fourth, fifth, and sixth hypotheses:

- a) The effect of Managerial Ownership on Company Value through Financial Performance

Table 22. The Test Result of Managerial Ownership on Company Value through Financial Performance Effect

Independent Variable	Intervening Variable	Dependent Variable	Value	Sig	Information
Managerial Ownership (X_1)	Financial Performance (Y_1)	Company Value (Y_2)	-0,0366	0,0380	Has an indirectly effect

Source: Secondary Data Processed (2017)

Table 28 shows the -0,0366 value which is same with the manual multiplication between coefficients $b(MX)$ (intervening and independent variables) and $b(YM.X)$ (dependent variable, intervening variable and independent variable). The fourth hypotheses test is done by compare significance probability value of 0,05. Based on the table, the probability significance value is 0,0380 or less than 0,05 ($0,0380 < 0,05$).

Thus it can be concluded that Managerial Ownership indirectly effects on Company Value through Financial Performance. So, the

fourth hypotheses "Ownership Managerial indirectly effects on Company Value through Financial Performance" is **accepted**.

- b) The effect of Institutional Ownership to Company Value through Financial Performance

Table 23. The Test Result of Institutional Ownership on Company Value through Financial Performance Effect

Independent Variable	Intervening Variable	Dependent Variable	Value	Sig	Information
Institutional Ownership (X_2)	Financial Performance (Y_1)	Company Value (Y_2)	-0,0310	0,6481	Has no indirectly effect

Source: Secondary Data Processed (2017)

Table 28 shows the -0,0310 value which is same with the manual multiplication between coefficients $b(MX)$ (intervening and independent variables) and $b(YM.X)$ (dependent variable, intervening variable, and independent variable). The fifth hypotheses test is done by compare the significance probability value of 0,05. Based on the table, the probability significance value is 0,6481 or higher than 0,05 ($0,6481 > 0,05$).

Thus it can be concluded that Institutional Ownership has no indirectly effect Company Value through Financial Performance. So, the fifth hypotheses "Institutional Ownership indirectly effects Company Value through Financial Performance" is **rejected**.

- c) The effect of Sustainability Report Disclosure on Company Value through Financial Performance

Table 24. The Test Result of Sustainability Report Disclosure on Company Value through Financial Performance Effect

Independent Variable	Intervening Variable	Dependent Variable	Value	Sig	Information
Sustainability Report Disclosure(X_3)	Financial Performance (Y_1)	Company Value (Y_2)	0,2345	0,0198	Has an indirectly effect

Source: Secondary Data Processed (2017)

Table 28 shows the 0,2345 value which is same with the manual multiplication between coefficients $b(MX)$ (intervening and independent variables) and $b(YM.X)$ (dependent variable, intervening variable, and independent variables). The sixth hypotheses test is done by compare the probability significance value of 0,05. Based on the table, the probability significance value is 0,0198 or less than 0,05 ($0,0198 < 0,05$).

Thus it can be concluded that Sustainability Report Disclosure indirectly effects on Company Value through Financial Performance. So, the sixth hypotheses "Sustainability Report Disclosure indirectly effects on Company Value through Financial Performance" is **accepted**.

E. Discussion

1. The Effect of Managerial Ownership on Financial Performance

Before calculate the fourth hypotheses, Managerial Ownership must prove to have an effect on Financial Performance. The value of B regression coefficient is -0,102 indicates the effect of Managerial Ownership on Financial Performance is negative, and the t_{count} value is -3,270 higher than t_{table} of 5% significance level is 2,024 ($3,270 > 2,024$). The probability

significance value is 0,002 indicates a value lower than the specified significance value of 0,05 ($0,002 < 0,05$). Therefore, it can be concluded Managerial Ownership effects on Financial Performance. So, the calculation of the fourth hypotheses in this research can be done.

The results are consistent with the results of previous researches by Demsetz (1983), Ming dan Gee (2008), dan Jusoh *et al.* (2013) stated that Managerial Ownership has a negative effect on Financial Performance. Demsetz (1983) stated provide managers with shares to align their interests with the other investor may not solve the agency problems or reduce agency costs and thus fails to improve company performance. Jusoh *et al* (2013) stated managers as owners and controllers can use their position in the company to take personal advantage at the expense of other shareholders by appointing managers who represent their own interests.

Research by Ming and Gee (2008) also had similar results that higher managerial ownership can lead to greater agency issues. When managers have relatively large equity shares, their concentrated controls allow them to use corporate disclosure for personal gain, not for the best interests of outside shareholders. So, it can degrade financial performance.

2. The Effect of Institutional Ownership on Financial Performance

Before calculate the fifth hypotheses, Institutional Ownership must prove to has an effect on Financial Performance. The value of B regression coefficient is -0,342 indicates the effect of Managerial Ownership on Financial Performance is negative, and the t_{count} value is -2,363 higher than

t_{table} value at 5% significance level of 2,024 ($2,363 > 2,024$). The significance probability value is 0,024 indicates a value lower than the specified significance value of 0,05 ($0,024 < 0,05$). Therefore, it can be concluded that Institutional Ownership effects on Financial Performance. So, the calculation of the fifth hypotheses in this research can be done.

The results are consistent with the results of previous researches by Wiranata and Yeterina (2013), Triwinasis (2013) and Titis Waskito (2014) stated that Institutional Ownership negatively effects Financial Performance. The results of this research can be explained by the higher institutional ownership, the lower financial performance because the institutional ownership is the temporary owner and more focused on short-term profit.

Triwinasis (2013) stated that if current earnings are not profitable by investors, they will liquidate their shares. Since institutional investors have large shares, if they liquidate their shares, they will effect the stock as a whole. On the basis of this perspective, in order to avoid the liquidation of investors, managers will take profit management actions that will eventually also degrade their performance.

3. The Effect of Sustainability Report Disclosure on Financial Performance

Before calculate the sixth hypotheses, Sustainability Report Disclosure must prove to has an effect on Financial Performance. The B value of regression coefficient is 0,543 indicates that the effect of

Sustainability Report Disclosure on Financial Performance is positive, and t_{count} value is 3,233 higher than t_{table} of 5% significance level is 2,024 ($3,233 > 2,024$). The significance probability value is 0,003 indicates a value lower than the specified significance value of 0,05 ($0,003 < 0,05$). Therefore, it can be concluded Sustainability Report Disclosure effects on Financial Performance. So, the calculation of the sixth hypotheses in this research can be done.

The results are consistent with the results of previous researches by Yuaningsih and Wirakusuma (2009), Soelistyoningrum (2011), and Adhima (2012) stated Sustainability Report Disclosure has a positive effect on Financial Performance. This is because the Sustainability Report Disclosure by the company will provide positive information about things done by the company related to the problems of the economy, environment, labor, products, and other social problems.

The information in the sustainability report can be one of the promotion media to the public so that the positive attitude of society towards the company will be greater. This can have an impact on improving the performance and ability of the company in obtaining profit (Soelistyoningrum and Prastiwi, 2011), so the Sustainability Report Disclosure can meet the desire of stakeholders to produce a harmonious relationship between the company and its stakeholders so that the company can achieve sustainability. Ghozali and Chariri (2007) explained that this underlying the

theory of legitimacy is the social contact that occurs between companies and communities where companies operate and use economic resources.

4. The Effect of Managerial Ownership on Company Value

The first hypotheses is Managerial Ownership directly effects on Company Value. The value of B regression coefficient value is 0,055 indicates the effect of Managerial Ownership on Company Value is positive, and the t_{count} value of 2,386 is higher than the t_{table} of 5% significance level is 2,024 ($2,386 > 2,024$). The significance probability value of 0,023 indicates a value lower than the specified significance value of 0,05 ($0,023 < 0,05$). Therefore, it can be concluded that Managerial Ownership directly effects Company Value. So, the first hypotheses in this research is accepted.

The results are consistent with the previous research by Jensen and Meckling (1976) stated Managerial Ownership positively effects Company Value. The existence of Managerial Ownership in a company will create an interesting assumption that the Company Value increases as a result of increased Management Ownership. The higher the proportion of Managerial Ownership then the manager will feel belonging to the company, so that will try as much as possible by doing actions that can maximize prosperity.

The result indicates Managerial Ownership is one of the factors that effect the Company Value. The higher Managerial Ownership will increase Company Value.

5. The Effect of Institutional Ownership on Company Value

The second hypotheses is Institutional Ownership directly effects on Company Value. The value of B regression coefficient value is 0,055 indicates the effect of Managerial Ownership on Company Value is positive, and the t_{count} value of 0,538 is lower than the t_{table} at the 5% significance level of 2,024 ($0,538 < 2,024$). The significance probability value is 0,594 indicates a value higher than the specified significance value of 0,05 ($0,594 > 0,05$). Therefore, it can be concluded Institutional Ownership has no directly effect on Company Value. So, the second hypotheses in this research is rejected.

The results are consistent with the previous researches by Wahyudi and Prawestri (2006), Wien Ika (2010), and Umami Isti'adah (2015) stated Institutional Ownership has no significant effect on Company Value. The average of Institutional Ownership in this research is 0,546 or 54,6% is majority owners. Wien Ika (2010) stated the majority shareholders have a tendency to compromise with management and ignore the interests of minority investors. Management actions on non-optimal policies tend to lead to self-interest and then strategic alliance strategies by managerial and institutional investors are responded negatively by the market.

The result indicates the Institutional Ownership is not one of the factors that effect Company Value. The value of Institutional Ownership has not been able to effect the high Company Value.

6. The Effect of Sustainability Report Disclosure on Company Value

The third hypotheses is Sustainability Report Disclosure directly effects Company. The value of B regression coefficient is -0,112 indicates the effect of Sustainability Report Disclosure on Company Value is negative and the t_{count} value of -0,902 is lower than the t_{table} value at the 5% significance level of 2,024 ($0,902 < 2,024$). The significance probability value is 0,373 indicates a value higher than the specified significance value is 0,05 ($0,373 > 0,05$). Therefore, it can be concluded Sustainability Report Disclosure has no directly effect the Company Value. So, the third hypotheses in this research is rejected.

The results are consistent with the result of previous researches by Sejati (2014) and Priyadi (2017). Sustainability Report Disclosure has no effect on Company Value. It is because in assessing company value investors usually use annual report while sustainability report is not part of the company's annual report, so investors pay less attention to sustainability report.

The result indicates Sustainability Report Disclosure is not one of the factors that effect the Company Value. The value of Sustainability Report Disclosure has not been able to effect the high Company Value.

7. The Effect Financial Performance on Company Value

The value of B regression coefficient is 0,562 indicates the effect of Financial Performance on Company Value is positive, and the t_{count} of 5,175 is higher than the t_{table} at the 5% significance level of 2,024 ($5,175 > 2,024$).

> 2,024). The significance probability value of 0,000 indicates a value lower than the specified significance value of 0,05 ($0,000 < 0,05$). Therefore, it can be concluded Financial Performance directly effects the Company Value.

The results are consistent with the result of previous researches by Yuaningsih dan Wirakusuma (2009), Rahardjo (2013), Prasetyorini (2013), and Deriyarso (2014) stated Financial Performance effects Company Value. Financial Performance shows the level of net profit that a company can make from its operation. The shareholders always want to profit from the investment they invest in the company, the profits are derived from profits after interest and taxes. The higher profit that obtained by the company, then the higher company able to pay dividends, so more investors will invest in the company.

Prasetyorini (2013) stated that good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value increase. Financial performance demonstrates the effectiveness of the company operations and is used as a way to assess the success of company-related growth and performance that relate to company value.

The result of this research indicates that Financial Performance is one of the factors that effect the Company Value. The higher Financial Performance will increase Company Value.

8. The Effect of Managerial Ownership on Company Value through Financial Performance

The fourth hypotheses is Managerial Ownership indirectly effect on Company Value. The significance probability value is 0,0380 indicates a value lower than the specified significance value of 0,05 ($0,0380 < 0,05$). Therefore, it can be concluded that Managerial Ownership indirectly effects on Company Value. So the fourth hypotheses in this research is accepted.

Demsetz (1983) stated provide managers with shares to align their interests with the other investor may not solve the agency problems or reduce agency costs and thus fails to improve company performance. Jusoh *et al* (2013) stated that managers as owners and controllers can use their position in the company to take personal advantage at the expense of other shareholders by appointing managers who represent their own interests

Research by Ming and Gee (2008) also had similar results that higher managerial ownership can lead to higher agency issues. When managers have relatively large equity shares, their concentrated controls allow them to use corporate disclosure for personal gain, not for the best interests of outside shareholders so it can degrade financial performance.

Prasetyorini (2013) stated good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value increase. Therefore, if financial performance declines then it can effect the decline in investor's stock demand.

Financial performance demonstrates the effectiveness of the company operations and is used as a way to assess the success of company-related growth and performance that relate to company value.

9. The Effect of Institutional Ownership on Company Value through Financial Performance

The fifth hypotheses is Institutional Ownership indirectly effects on Company Value. The significance probability value is 0,6481 shows a value higher than the specified significance value of 0,05 ($0,6481 > 0,05$). Therefore, it can be concluded Institutional Ownership has no indirectly effect on Company Value. So, the fifth hypotheses in this research is rejected.

The results can be explained by the previous researches by Wiranata and Yeterina (2013), Triwinasis (2013), and Titis Waskito (2014) stated that Institutional Ownership negatively effects on Financial Performance. The higher institutional ownership, the lower financial performance because the institutional ownership is the temporary owner and more focused on short-term profit.

Triwinasis (2013) stated that if current earnings are not profitable by investors, they will liquidate their shares. Since institutional investors have large shares, if they liquidate their shares, they will effect the stock as a whole. On the basis of this perspective, in order to avoid the liquidation of investors, managers will take profit management actions that will eventually also degrade company performance.

Prasetyorini (2013) stated good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value increase. Therefore, if financial performance declines then it can effect the decline in investor's stock demand.

Financial performance demonstrates the effectiveness of the company operations and is used as a way to assess the success of company-related growth and performance that relate to company value.

10. The Effect of Sustainability Report Disclosure on Company Value through Financial Performance

The sixth hypotheses is Sustainability Report Disclosure indirectly effects on Company Value. The significance probability value is 0,0198 indicates a value lower than the specified significance value of 0,05 ($0,0198 < 0,05$). Therefore, it can be concluded Sustainability Report Disclosure indirectly effects on Company Value. So, the sixth hypotheses in this research is accepted.

The results can be explained by the Sustainability Report Disclosure, the company can get the trust stakeholders needed for the continuity of the company's business. The stakeholder trust can be either investment or cooperation potential to increase the productivity and sales of the company. This can effect the level of company net profit that will increase company's ROA.

Prasetyorini (2013) stated that good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value increase. Financial performance demonstrates the effectiveness of the company operations and is used as a way to assess the success of company-related growth and performance that relate to company value.

F. Research Limitation

1. This research uses only two variables as a proxy for Ownership Structure, ie Managerial Ownership, and Institutional Ownership. On the other hand, there are foreign ownership, family ownership, and government ownership.
2. This research uses only three independent variables, while there are many other factors that may have an effect on Company Value.
3. This research used a small sample of 10 companies listed on the IDX during 2013-2016 because only few companies disclose sustainability report.
4. This research does not use a sample of similar companies.

CHAPTER V

CONCLUSIONS AND SUGGESTIONS

A. Conclusions

Based on the research results on the effect of Ownership Structure and Sustainability Report Disclosure on Company Value with Financial Performance as an intervening variable for companies publish Sustainability Report listed on Indonesia Stock Exchange during 2013-2016. It can be concluded as follows:

1. Managerial Ownership directly effects on Company Value. This is indicated by the t_{count} value is 2,386 higher than the t_{table} value at the 5% significance level of 2,024 ($2,386 > 2,024$). The significance probability value is 0,023 lower than the specified significance value of 0,05 ($0,023 < 0,05$).
2. Institutional Ownership does not directly effect on Company Value. This is indicated by the t_{count} value is -0,4564 lower than the t_{table} value at the 5% significance level of 2,024 ($0,4564 < 2,024$). The significance probability value is 0,6481 higher than the specified significance value of 0,05 ($0,6481 > 0,05$).
3. Sustainability Report Disclosure does not directly effect on Company Value. This is indicated by the t_{count} value is -0,902 lower than the t_{table} value at the 5% significance level of 2,024 ($0,902 < 2,024$). The significance probability value is 0,373 higher than the specified significance value of 0,05 ($0,373 > 0,05$).

4. Managerial Ownership indirectly effects on Company Value with Financial Performance as an intervening variable. This is indicated by the t_{count} value is -2,0749 higher than the t_{table} value at the 5% significance level of 2,024 ($2,0749 > 2,024$). The significance probability value is 0,0380 lower than the specified significance value of 0,05 ($0,0380 < 0,05$).
5. Institutional Ownership does not indirectly effect Company Value with Financial Performance as an intervening variable. This is indicated by the t_{count} value is -0,4564 lower than the t_{table} value at the 5% significance level of 2,024 ($0,4564 < 2,024$). The significance probability value is 0,6481 higher than the specified significance value of 0,05 ($0,6481 > 0,05$).
6. Sustainability Report Disclosure indirectly effects on Company Value with Financial Performance as an intervening variable. This is indicated by the the t_{count} value is 2,330 higher than the t_{table} at the 5% significance level of 2,024 ($2,330 > 2,024$). The significance probability value is 0,0198 lower than the specified significance value of 0,05 ($0,0198 < 0,05$).

B. Suggestions

Some suggestions can provide based on the analysis has been done are as follows:

1. For Companies

Companies can make efforts to increase the company value that reflected by the stock price. Based on the results of this research, the factors that effect the Company Value are Managerial Ownership, Financial Performance, and Sustainability Report Disclosure. Companies should pay

attention to the amount of managerial ownership because the amount of managerial ownership can decrease financial performance, but on the other hand, also can increase the company value. In addition, the Company Value reflected in the stock price can increase with better Financial Performance. Therefore, companies need to make efforts to improve the Financial Performance. The results of this research also show that Sustainability Report Disclosure indirectly effects the Company Value, therefore the company can increase Sustainability Report Disclosure in order to increase the Company Value.

2. For Financial Report Users

For financial report users can pay attention to information other than finance in making investment decisions. The financial report users can see other aspects of information such as the ownership structure and sustainability reports disclosure in the company as one of the investment decisions considerations.

3. For Further Research

- a. This research use only two variables as a proxy for Ownership Structure such as Managerial Ownership and Institutional Ownership. On the other hand, there are foreign ownership, family ownership, and government ownership. Future research can use the entire proxy of ownership structure. So, the results provide a more relevant comparison to existing theories.

- b. This research use only three independent variables, while there are other factors may have an effect on Company Value. Further research can add other variables such as company size, company characteristics, dividend policies, and others.
- c. This research use a small sample (10 companies listed on the IDX during 2013-2016). Further research can add the sample by increasing the year.
- d. Financial performance in this research is only measured by ROA (Return on Asset) proxy. Further research can use other proxies in measure Financial Performance, for example ROE (Return on Equity) or ROI (Return on Investment).

REFERENCES

- Ang, Robert. (2007). *Buku Pintar: Pasar Modal Indonesia (The Intelligent Guide Indonesia Capital Market)*. Mediasoft Indonesia, First Edition.
- Arifani, Rizky. (2012). Pengaruh Good Corporate Governance terhadap Kinerja Keuangan Perusahaan. *Skripsi*, Universitas Brawijaya, Malang.
- Basalamah, A.S. dan Jermias. (2005). Social and Environmental Reporting and Auditing in Indonesia. *Gajah Mada International Journal of Business, Vol 7*, 109-127.
- Brigham & Houston. (2006). *Fundamentals Of Financials Managemen (Dasar-Dasar Manajemen Keuangan)*, Jakarta: Salemba Empat.
- Brigham, Eugene.F and Joel F. Houston. (2001). *Manajemen Keuangan. Edisi Kedelapan Buku 2*. Jakarta: Erlangga.
- Chariri & Ghozali, Achmad. (2007). *Teori Akuntansi*. Yogyakarta: Penerbit Andi.
- Clarkson, M. (1995). A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance. *Academy of Management Review, Vol. 20 No. 1*, 92-117.
- Crutchley et al. (1999). Agency Problems and The Simultaneity of Financial Decision. Making The Role of Institutional Ownership. *International Review of Financial Analysis 8*, 177-197
- Daud and Abrar. (2008). Pengaruh Intellectual Capital Dan Corporate Social Responsibility Terhadap Kinerja Perusahaan (Studi Empiris Pada Perusahaan Manufaktur Di Bursa Efek Indonesia). *Jurnal Telaah & Riset Akuntansi, Vol. 1, No. 2. Juli*, pp.213-231.
- Deegan, Craig. 2000. *Financial Accounting Theory*. Australia NSW: McGrawHill.
- Demsetz, H (1983). The Structure of Ownership and The Theory of the Firm. *Journal of Law and Economics, 26*, 375-390.
- Deriyarso, Irvan. (2014). Pengaruh Profitabilitas Terhadap Nilai Perusahaan dengan Corporate Social Responsibility sebagai Variabel Moderating (Studi Empiris pada PERusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia). *Skripsi*, Universitas Diponegoro.

- Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, Capstone, Oxford.
- Faisal. (2005). Analisis Agency Costs, Struktur Kepemilikan dan Mekanisme Corporate Governance. *Jurnal Riset Akuntansi Indonesia*. Volume 8. No. 2. 175-190.
- Fauzi, A. (2006). *Struktur Kepemilikan Saham asing di Indonesia*. Jakarta: Gramedia Pustaka Utama.
- Ghozali, Iman. (2006). *Aplikasi Analisis Multivariate dengan Program SPSS*. Semarang: Badan Penerbit Universitas Diponegoro
- Haruman. Tendi. (2007). *Pengaruh Struktur Kepemilikan terhadap Keputusan Keuangan dan Nilai Perusahaan*. Simposium Nasional Akuntansi XI. Pontianak
- I. Nyoman, Tjager, dkk. (2003). *Corporate Governance, Tantangan dan Kesempatan Bagi Komunitas Bisnis Indonesia*, Jakarta: PT. Prenhallindo.
- Ira Sabrina, Anindita. (2010). Pengaruh Corporate Governance dan Struktur Kepemilikan Terhadap Kinerja Perusahaan. *Skripsi*. Universitas Diponegoro.
- Isti'adah, Ummi. (2015). Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Pada Perusahaan Manufaktur. *Jurnal Nominal*, Vol. 4, No. 2, 57-72.
- Jensen, M. C and W.H Meckling. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*, Volume 3, No. 4, 305-360.
- Jonathan Sarwono. (2007). *Analisis jalur Untuk Riset Bisnis dengan SPSS*. Yogyakarta: Penerbit ANDI
- Julianti, Defy Kurnia. (2015). Pengaruh Mekanisme Good Corporate Governance terhadap Nilai Perusahaan dengan Profitabilitas sebagai Variabel Intervening pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2010-2013. *Skripsi*, Universitas Negeri Semarang.
- Kusumaningrum, D. A. R. and S. N. Rahardjo. (2013). Pengaruh Keputusan Investasi, Keputusan Pendanaan, Kebijakan Dividen, Kepemilikan Manajerial dan Kepemilikan Institusional Terhadap Nilai Perusahaan

(Studi Empiris Pada Perusahaan Yang Terdaftar di Bursa Efek Indonesia Tahun 2011-2012). *Jurnal Akuntansi* 2(4):1-10.

Jusoh, Mohmd Abdullah. Ayoibche Ahmad and Baharudin Omar. (2013). Managerial Ownership, Audit Quality and Firm performance in Malaysian. *International Journal of Arts and Commerce*, 2 (10), 45-58

Kartikawati, Wening. (2007). *Pengaruh Kepemilikan Institusional Terhadap Kinerja Keuangan Perusahaan*. Accessed through melalui (<http://hana3.wordpress.com/2009/05/17/pengaruh-kepemilikan-institusional-terhadap-kinerja-keuangan-perusahaan/>) on Januari 6, 2017).

Kiki, (2009). Pengaruh Corporate Social Responsibility terhadap Kinerja dan Nilai Perusahaan. *Skripsi*, Universitas Muhammadiyah Yogyakarta.

La Porta, Rafael and Lopez-De Silanes, florencio, Shleifer, Andrei, and Vishny, Robert (2002). Investor Protection and Corpote Valuation. *Journal of Finance*. Vol 57, no 3: 3-27. 1147-1170.

Laksmitaningrum, Cintya Fadila. (2013). Analisis Pengaruh Karakteristik Perusahaan, Ukuran Dewan Komisaris Dan Struktur Kepemilikan Terhadap Pengungkapan Csr. (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2009-2011). *Skripsi*, Universitas Diponegoro.

Lean, S. (2009). The Role of Theory in Explaining Motivation for Corporate Social Disclosures: Voluntary Disclosures vs Solicited Disclosures. *Australasian Accounting Business and Finance Journal*, 3(4).

Lesmana. Yuliani and Josua Tarigan. (2014). Pengaruh Sustainability Reporting Terhadap Kinerja Keuangan Perusahaan Publik dari Sisi Asset Management Ratios. *Business Accounting Review*, 2(1), 101-110

Lu, Jun. (2010). *The Relations Among Environmental Disclosure, Environmental Performance and Financial Performance: An Empirical Study in China*. Working Paper Series

Meutia, Inten. (2010). Shariah Enterprise Theory sebagai Dasar Pengungkapan Tanggung Jawab Sosial untuk Bank Syariah. *Disertasi*, Universitas Brawijaya.

Ming T. C. And Gee C. S (2008). The influence of ownership structure on corporate performance of Malaysian Public Listed Companies. *ASEAN Economic Bulletin*, 25(2).195-208.

- Mudambi, Ram, and Carmela Nicosia. (1995). *Ownership Structure and Firm Performance. Evidence from the UK Financial Service Industry*, Accessed through <http://ssrn.com/abstract=295575> on January 6, 2017
- Mukhtaruddin, Relasari, and Messa Felmania. (2014). Good Corporate Governance Mechanism, Corporate Social Responsibility Disclosure on Firm Value: Empirical Study on Listed Company in Indonesia Stock Exchange. *International Journal of Finance & Accounting Studies, Volume 2 No. 1* Palembang: Universitas Sriwijaya.
- Natalia, Ria and Tarigan, Josua. (2014). Pengaruh Sustainability Reporting terhadap Kinerja Keuangan Perusahaan Publik dari Sisi Profitability Ratio. *Business Accounting Review, Vol. 2, No. 1*, 111-120.
- Ni Wayan, Yuniasih and Made Gede Wirakusuma, (2008). *Pengaruh Kinerja Keuangan Dengan Pengungkapan Corporate Social Responsibility dan Good Corporate Governance Sebagai Variabel Pemoderasi*. Universitas Udayana, Bali.
- Nugroho, Firman Aji. (2009). Analisis Atas Narrative Text Pengungkapan Corporate Social Responsibility dalam Sustainability Report PT.Aneka 29 Tambang,Tbk. *Skripsi*, Universitas Diponegoro.
- Nurlela & Islahuddin. (2008). *Pengaruh Corporate Social Responsibility Terhadap Nilai Perusahaan Dengan Prosentase Kepemilikan Manajemen Sebagai Variabel Moderating (Studi Empiris Pada Perusahaan Yang Terdaftar Di Bursa Efek Jakarta)*. Simposium Nasional Akuntansi XI. 23-24 Juli 2008. Pontianak.
- Owen, David. (2005). *CSR After Enron: A Role for the Academic Accounting Profession?*. Research Paper Series International Centre for Corporate Social Responsibility Nottingham University Business School, Nottingham.
- Perdana, Ramadhan Sukma., and Raharja. (2014). Analisis Pengaruh Corporate Governance terhadap Nilai Perusahaan. *Journal Of Accounting, Volume 3 No. 3*, 1-13. Universitas Diponegoro.
- Permanasari, Wien Ika. (2010). Pengaruh Kepemilikan Manajemen, Kepemilikan Institusional, dan Corporate Social Responsibility Terhadap Nilai Perusahaan. *Skripsi*, Universitas Diponegoro, Semarang.
- Prasetyorini, Bhukti Fitri. (2013). Pengaruh Ukuran Perusahaan, Leverage, Price Earning Ratio dan Profitabilitas terhadap Nilai Perusahaan.

Jurnal Ilmu Manajemen. 1(1). 183-196. Accessed through <http://ejournal.unesa.ac.id/> on Januari 6, 2017).

- Priyadi. (2017). Pengaruh Publikasi Sustainability Report Terhadap Kinerja Keuangan, Nilai Perusahaan, dan Struktur Modal (Studi Empiris Perusahaan yang Tergabung pada Indeks LQ45 dan Indeks JII Tahun 2011-2015). Skripsi, Universitas Muhammadiyah Surakarta.
- Pujiningsih, Andiany Indra. (2011). Pengaruh Struktur Kepemilikan, Ukuran Perusahaan, Praktik Corporate Governance dan Kompensasi Bonus Terhadap Manajemen Laba (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar di BEI Tahun 2007-2009). *Skripsi*, Universitas Diponegoro, Semarang
- Purwanto, Agus. (2011). Pengaruh Tipe Industri, Ukuran Perusahaan, Profitabilitas Terhadap Corporate Social Responsibility. *Vol 8.No. 1.Tahun 2011*, 1-94.
- Putri, Ismanda and Mohamad Natsir. (2006). *Analisis Persamaan Simultan Kepemilikan Manajerial, Institusi, Resiko, Kebijakan Hutang dan Kebijakan Dividen dalam Perspektif Teori Keagenan*. Simposium Nasional Akuntansi IX. Padang
- Reddy, Krishna, and Gordon, Lucus W. (2010) The Effect of Sustainability Reporting on Financial Performance: An Empirical Study Using Listed Companies. *Journal of Asia Entrepreneurship and Sustainability Vol. VI, Issue 2*, 19-42
- Retherford, Robert D. (1993). *Statistical Models For Causal Analysis. Program on Population East-West Center*. Honolulu, Hawaii
- Ross, Stephen A., Randolph W. Westerfield., and Bradford D. Jordan.. (2003). Fundamentals of Corporate Finance, *International Edition, Sixth Edition*, McGraw-Hill, Singapore.
- Rupilu, Wilsna. (2011). Pengaruh Mekanisme Corporate Governance Terhadap Kualitas Laba dan Nilai Perusahaan pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia. *Jurnal Akuntansi, Manajemen Bisnis Dan Sektor Publik (Jambsp), Volume 8 No. 1*, 101 – 127. Surabaya: Sekolah Tinggi Ilmu Ekonomi Indonesia.
- Sejati, Bimo Putranto. (2014). Pengaruh Pengungkapan Sustainability Report Terhadap Kinerja dan Nilai Perusahaan. *Skripsi*, Universitas Diponegoro.

- Shleifer, A. and R. Vishny. (1997). A Survey of Corporate Governance. *Journal of Finance* Vol. 52, 737-783.
- Smith, M.P. (1996) Shareholder Activism by Institutional Investors: Evidence from CalPERS. *The Journal of Finance*, Vol. LI, No. 1, March 1996.
- Soelistyoningrum, J.N. (2011). Pengaruh Pengungkapan Sustainability report terhadap Kinerja Keuangan. *Skripsi*, Universitas Diponegoro.
- Sugiyono. (2010). *Statistika untuk Penelitian*. Bandung: Alfabeta.
- Sujoko and Ugy Soebiantoro. (2007). Pengaruh Struktur Kepemilikan Saham, Leverage, Faktor Intern Dan Faktor Ekstern Terhadap Nilai Perusahaan. *Jurnal Manajemen dan Kewirausahaan*, Vol. 9, No. 1, 41-48.
- Suryono, Hari and Andri Prastiwi. (2011). *Pengaruh Karakteristik Perusahaan dan Corporate Governance (CG) Terhadap Praktik Pengungkapan Sustainability Report (SR)*. dalam Simposium Nasional Akuntansi XIV Aceh 2011 Universitas Syiah Kuala Banda Aceh. Aceh.
- Susanti, Rika. (2010). Analisis Faktor-faktor yang Berpengaruh Terhadap Nilai Perusahaan (Studi Kasus pada Perusahaan Go Public yang Listed Tahun 2005-2008). *Skripsi*, Universitas Diponegoro.
- Susanto, Yohannes Kurniawan and Josua Tarigan. (2013). Pengaruh Pengungkapan Sustainability Report terhadap Profitabilitas Perusahaan. *Business Accounting Review*, 4(1): 6.
- Sutami, Eka., et al. (2011). The Effect of Voluntary Disclosure of Environmental Performance and Level of Externalities to Corporate Economic Performance. *The 3rd International Conference on Humanities and Social Sciences*. April 2, 2011 Faculty of Liberal Arts, Prince of Songkla University.
- Suyanti, Anggraheni Niken., Rahmawati, and Y. Anni Aryani. (2010). Pengaruh Mekanisme Corporate Governance Terhadap Nilai Perusahaan dengan Kualitas Laba Sebagai Variabel Intervening pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2004-2007. *Jurnal Ekonomi dan Bisnis*, Volume 4 No. 3, 173-183. Surakarta: Universitas Sebelas Maret.
- Thiono, Handri. (2006). *Perbandingan Keakuratan Model Arus Kas Metoda Langsung dan Tidak Langsung Dalam Memprediksi Arus Kas dan Dividen Masa Depan*. Simposium Nasional Akuntansi IX, Padang.

- Triwinasis, Candra Rifqi. (2013). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan (Studi Kasus Pada Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia Tahun 2011 – 2012). *Skripsi*, Universitas Negeri Semarang, Semarang.
- Wahidahwati. (2002). *Pengaruh Kepemilikan Manajerial dan Kepemilikan Institusional pada Kebijakan Hutang Perusahaan : Sebuah Perspektif Theory Agency*. *Jurnal; Riset Akuntansi Indonesia, Vol 5, No 1*, 82-104. Januari.
- Wahyudi, U. and Prawestri, H. P. (2006). *Implikasi Struktur Kepemilikan Terhadap Nilai Perusahaan: Dengan Keputusan Keuangan Sebagai Variabel Intervening*. Simposium Nasional Akuntansi IX. Padang.
- Wallman, S. MH. (1995). The Future of Accounting and Financial Reporting Part I: The Need for Dramatic Change. *Accounting Horizons, Vol. 9 No. 3*, 81-91.
- Waryanti. (2009). Pengaruh Karakteristik Perusahaan terhadap Pengungkapan Sosial pada Perusahaan Manufaktur di Bursa Efek Indonesia. *Skripsi*, Universitas Diponegoro.
- Waskito, Titis. (2014). Pengaruh Struktur Kepemilikan Manajerial, Kepemilikan Institusional, dan Ukuran Perusahaan terhadap Kinerja Keuangan (Ditinjau dari Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2008 sampai dengan Tahun 2011). *Skripsi*, Universitas Muhammadiyah Surakarta.
- Wibowo, I. 2014. *Dampak Pengungkapan Sustainability Report Terhadap Kinerja Keuangan dan Kinerja Pasar Perusahaan*. Simposium Nasional Akuntansi XVII Mataram, Lombok 24-27 September 2014.
- Wijayanti, Sri and Siti Mutmainah. (2012). Pengaruh Penerapan Corporate Governance terhadap Kinerja Keuangan pada Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia tahun 2009-2011. *Journal of Accounting, Volume 1 No 2*, 1-15. Semarang: Universitas Diponegoro.
- Wiranata, Yulius Ardi and Nugrahanti, Yeterina Widi. (2013). Pengaruh Struktur Kepemilikan Terhadap Profitabilitas Perusahaan Manufaktur di Indonesia. *Akuntansi dan Keuangan. Vol 15 (1)*, 15-26.

APPENDICES

APPENDIX 1

THE POPULATION LIST OF COMPANY PUBLISHING SUSTAINABILITY REPORT LISTED IN IDX IN 2013-2016

No	Code	Company Name
1	AALI	PT. Astra Agro Lestari
2	ADHI	PT. Adhi Karya
3	ADMF	PT. Adira Dinamika Multi Finance
4	AKRA	PT. AKR Corporindo
5	ANTM	PT. Aneka Tambang
6	ASII	PT. Astra International
7	BBNI	PT. Bank Negara Indonesia
8	BBRI	PT. Bank Rakyat Indonesia
9	BBTN	PT. Bank Tabungan Negara
10	BDMN	PT. Bank Danamon Indonesia
11	BFIN	PT. BFI Finance Indonesia
12	BJBR	PT. Bank Pembangunan Daerah Jawa Barat dan Banten
13	BJTM	PT. Bank Pembangunan Daerah Jawa Timur
14	BMRI	PT. Bank Mandiri
15	BNBR	PT. Bakrie & Brothers
16	BNGA	PT. Bank CIMB Niaga
17	BNII	PT. Bank Maybank Indonesia
18	BNLI	PT. Bank Permata
19	EXCL	PT. XL Axiata
20	INCO	PT. Vale Indonesia
21	INDY	PT. Indika Energy
22	INTP	PT. Indocement Tunggul Prakarsa
23	ITMG	PT. Indo Tambangraya Megah

No	Code	Company Name
24	JSMR	PT. Jasa Marga
25	MEDC	PT. Medco Energi Internasional
26	NISP	PT. Bank OCBC NISP
27	PGAS	PT. Perusahaan Gas Negara
28	PTBA	PT. Tambang Batubara Bukit Asam
29	PTPP	PT. Pembangunan Perumahan
30	PTRO	PT. Petrosea
31	SIMP	PT Salim Ivomas Pratama
32	SMCB	PT. Holcim Indonesia
33	SMGR	PT. Semen Indonesia
34	TLKM	PT. Telekomunikasi Indonesia
35	TOTL	PT. Total Bangun Persada
36	UNSP	PT. Bakrie Sumatera Plantations
37	UNTR	PT. United Tractors
38	UNVR	PT. Unilever Indonesia
39	WIKA	PT. Wijaya Karya

APPENDIX 2

THE SAMPLE LIST OF COMPANY PUBLISHING SUSTAINABILITY REPORT LISTED IN INDONESIA STOCK EXCHANGE 2013-2016

No	Code	Company Name
1	AKRA	PT. AKR Corporindo
2	ASII	PT. Astra International
3	BBNI	PT. Bank Negara Indonesia
4	BJTM	PT. Bank Pembangunan Daerah Jawa Timur
5	JSMR	PT. Jasa Marga
6	PGAS	PT. Perusahaan Gas Negara
7	PTBA	PT. Tambang Batubara Bukit Asam
8	TLKM	PT. Telekomunikasi Indonesia
9	TOTL	PT. Total Bangun Persada
10	UNTR	PT. United Tractors

APPENDIX 3

THE DATA OF MANAGERIAL OWNERSHIP

$$MNJR = \frac{\Sigma \text{Shares owned by managers, commissioners, and directors}}{\Sigma \text{shares outstanding}} \times 100\%$$

1. Managerial Ownership Data in 2013

No	Code	Shares owned by managers, commissioners, and directors (Sheet)	Shares Outstanding (Sheet)	MNJR
1	AKRA	20.177.000	3.880.727.500	0,0051993
2	ASII	14.590.000	40.483.553.140	0,0003604
3	BBNI	39.931.446	18.462.169.893	0,0021629
4	BJTM	14.158.500	14.768.508.132	0,0009587
5	JSMR	18.603.761	6.800.000.000	0,0027358
6	PGAS	170.500	24.241.508.196	0,0000070
7	PTBA	60.000	2.304.131.850	0,0000260
8	TLKM	29.160	100.799.996.400	0,0000003
9	TOTL	62.232.500	3.410.000.000	0,0182500
10	UNTR	2.126.590	3.730.135.136	0,0005701

2. Managerial Ownership Data in 2014

No	Code	Shares owned by managers, commissioners, and directors (Sheet)	Shares Outstanding (Sheet)	MNJR
1	AKRA	28.270.464	3.913.637.674	0,0072236
2	ASII	11.615.000	40.483.553.140	0,0002869
3	BBNI	37.541.246	18.462.169.893	0,0020334
4	BJTM	14.158.500	14.768.508.132	0,0009587
5	JSMR	13.339.261	6.800.000.000	0,0019617
6	PGAS	170.500	24.241.508.196	0,0000070
7	PTBA	60.000	2.304.131.850	0,0000260
8	TLKM	88.620	100.799.996.400	0,0000003
9	TOTL	62.232.500	3.410.000.000	0,0182500
10	UNTR	2.140.605	3.730.135.136	0,0005739

3. Managerial Ownership Data in 2015

No	Code	Shares owned by managers, commissioners, and directors (Sheet)	Shares Outstanding (Sheet)	MNJR
1	AKRA	26.904.535	3.949.030.235	0,0068129
2	ASII	14.915.000	40.483.553.140	0,0003684
3	BBNI	4.270.029	18.462.169.893	0,0002313
4	BJTM	1.280.000	14.768.508.132	0,0000867
5	JSMR	9.309.961	6.800.000.000	0,0013691
6	PGAS	170.500	24.241.508.196	0,0000070
7	PTBA	130.000	2.304.131.850	0,0000564
8	TLKM	4.805.427	100.799.996.400	0,0000477
9	TOTL	62.232.880	3.410.000.000	0,0182501
10	UNTR	21.515	3.730.135.136	0,0000058

4. Managerial Ownership Data in 2016

No	Code	Shares owned by managers, commissioners, and directors (Sheet)	Shares Outstanding (Sheet)	MNJR
1	AKRA	28.824.270	3.991.781.170	0,0072209
2	ASII	16.190.000	40.483.553.140	0,0003999
3	BBNI	538.040	18.462.169.893	0,0000291
4	BJTM	9.804.400	14.795.607.006	0,0006627
5	JSMR	8.140.510	7.257.871.200	0,0011216
6	PGAS	140.500	24.241.508.196	0,0000058
7	PTBA	56.000	2.304.131.850	0,0000243
8	TLKM	9.046.012	100.799.996.400	0,0000897
9	TOTL	62.232.800	3.410.000.000	0,0182501
10	UNTR	21.515	3.730.135.136	0,0000058

APPENDIX 4

THE DATA OF INSTITUTIONAL OWNERSHIP

$$INST = \frac{\Sigma \text{Shares owned by the institution}}{\Sigma \text{shares outstanding}} \times 100\%$$

1. Institutional Ownership Data in 2013

No	Code	Shares owned by the institution (Sheet)	Shares Outstanding (Sheet)	INST
1	AKRA	2.296.640.320	3.880.727.500	0,59
2	ASII	20.288.255.040	40.483.553.140	0,50
3	BBNI	6.940.573.825	18.462.169.893	0,38
4	BJTM	11.934.147.982	14.768.508.132	0,81
5	JSMR	4.760.000.000	6.800.000.000	0,70
6	PGAS	13.809.038.756	24.241.508.196	0,57
7	PTBA	1.498.087.500	2.304.131.850	0,65
8	TLKM	61.633.483.340	100.799.996.400	0,61
9	TOTL	244.896.100	3.410.000.000	0,07
10	UNTR	2.219.317.358	3.730.135.136	0,59

2. Institutional Ownership Data in 2014

No	Code	Shares owned by the institution (Sheet)	Shares Outstanding (Sheet)	INST
1	AKRA	2.300.410.320	3.913.637.674	0,59
2	ASII	20.288.255.040	40.483.553.140	0,50
3	BBNI	7.040.037.858	18.462.169.893	0,38
4	BJTM	11.934.147.982	14.768.508.132	0,81
5	JSMR	4.760.000.000	6.800.000.000	0,70
6	PGAS	13.809.038.756	24.241.508.196	0,57
7	PTBA	1.498.087.500	2.304.131.850	0,65
8	TLKM	61.075.273.740	100.799.996.400	0,61
9	TOTL	269.896.140	3.410.000.000	0,08
10	UNTR	2.219.317.358	3.730.135.136	0,59

3. Institutional Ownership Data in 2015

No	Code	Shares owned by the institution (Sheet)	Shares Outstanding (Sheet)	INST
1	AKRA	2.336.456.120	3.949.030.235	0,59
2	ASII	20.288.255.040	40.483.553.140	0,50
3	BBNI	6.787.742.605	18.462.169.893	0,37
4	BJTM	11.934.147.982	14.768.508.132	0,81
5	JSMR	4.760.000.000	6.800.000.000	0,70
6	PGAS	13.809.038.756	24.241.508.196	0,57
7	PTBA	1.498.087.500	2.304.131.850	0,65
8	TLKM	59.763.715.540	100.799.996.400	0,59
9	TOTL	271.613.640	3.410.000.000	0,08
10	UNTR	2.219.317.358	3.730.135.136	0,59

4. Institutional Ownership Data in 2016

No	Code	Shares owned by the institution (Sheet)	Shares Outstanding (Sheet)	INST
1	AKRA	2.338.456.120	3.991.781.170	0,59
2	ASII	20.288.255.040	40.483.553.140	0,50
3	BBNI	6.940.573.825	18.462.169.893	0,37
4	BJTM	11.934.147.982	14.795.607.006	0,81
5	JSMR	4.760.000.000	7.257.871.200	0,70
6	PGAS	13.809.038.756	24.241.508.196	0,57
7	PTBA	1.498.087.500	2.304.131.850	0,65
8	TLKM	61.633.483.340	100.799.996.400	0,58
9	TOTL	244.896.100	3.410.000.000	0,08
10	UNTR	2.219.317.358	3.730.135.136	0,59

APPENDIX 5

THE DATA OF SUSTAINABILITY REPORT DISCLOSURE

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

1. Sustainability Report Disclosure in 2013

No	Code	n	k	SRDI
1	AKRA	27	91	0,30
2	ASII	26	91	0,29
3	BBNI	19	91	0,21
4	BJTM	59	91	0,65
5	JSMR	25	91	0,27
6	PGAS	39	91	0,43
7	PTBA	47	91	0,52
8	TLKM	31	91	0,34
9	TOTL	8	91	0,09
10	UNTR	33	91	0,36

2. Sustainability Report Disclosure in 2014

No	Code	n	k	SRDI
1	AKRA	32	91	0,35
2	ASII	22	91	0,24
3	BBNI	20	91	0,22
4	BJTM	26	91	0,29
5	JSMR	20	91	0,22
6	PGAS	44	91	0,48
7	PTBA	14	91	0,15
8	TLKM	31	91	0,34
9	TOTL	37	91	0,41
10	UNTR	33	91	0,36

3. Sustainability Report Disclosure in 2015

No	Code	n	k	SRDI
1	AKRA	53	91	0,58
2	ASII	23	91	0,25
3	BBNI	22	91	0,24
4	BJTM	21	91	0,23
5	JSMR	21	91	0,23
6	PGAS	40	91	0,44
7	PTBA	88	91	0,97
8	TLKM	27	91	0,30
9	TOTL	38	91	0,42
10	UNTR	23	91	0,25

4. Sustainability Report Disclosure in 2016

No	Code	n	k	SRDI
1	AKRA	46	91	0,51
2	ASII	23	91	0,25
3	BBNI	10	91	0,11
4	BJTM	11	91	0,12
5	JSMR	21	91	0,23
6	PGAS	12	91	0,13
7	PTBA	50	91	0,55
8	TLKM	23	91	0,25
9	TOTL	36	91	0,40
10	UNTR	32	91	0,35

APPENDIX 6

THE DATA OF FINANCIAL PERFORMANCE

$$ROA = \frac{Net\ Profit}{Total\ Assets}$$

1. Financial Performance Data in 2013

No	Code	Net Profit	Total Asset	ROA
1	AKRA	648.250.285.000	14.633.141.381.000	0,04
2	ASII	19.417.000.000.000	213.994.000.000.000	0,09
3	BBNI	9.054.345.000.000	386.654.815.000.000	0,02
4	BJTM	824.312.000.000	33.046.537.000.000	0,02
5	JSMR	1.028.000.000.000	28.064.000.000.000	0,04
6	PGAS	9.805.448.192.754	52.632.230.447.682	0,19
7	PTBA	1.854.281.000.000	11.677.155.000.000	0,16
8	TLKM	14.205.000.000.000	128.555.000.000.000	0,11
9	TOTL	194.291.000.000	2.226.418.000.000	0,09
10	UNTR	4.833.699.000.000	57.362.244.000.000	0,08

2. Financial Performance Data in 2014

No	Code	Net Profit	Total Asset	ROA
1	AKRA	810.094.166.000	14.791.917.177.000	0,05
2	ASII	19.181.000.000.000	236.029.000.000.000	0,08
3	BBNI	10.782.628.000.000	416.573.708.000.000	0,03
4	BJTM	939.084.000.000	37.998.046.000.000	0,02
5	JSMR	1.422.000.000.000	31.860.000.000.000	0,04
6	PGAS	8.991.060.568.600	77.320.774.705.960	0,12
7	PTBA	2.019.214.000.000	14.812.023.000.000	0,14
8	TLKM	14.471.000.000.000	141.822.000.000.000	0,10
9	TOTL	165.328.000.000	2.483.746.000.000	0,07
10	UNTR	5.361.695.000.000	60.306.777.000.000	0,09

3. Financial Performance Data in 2015

No	Code	Net Profit	Total Asset	ROA
1	AKRA	1.033.629.852.000	15.203.129.563.000	0,07
2	ASII	14.464.000.000.000	245.435.000.000.000	0,06
3	BBNI	9.066.581.000.000	508.595.288.000.000	0,02
4	BJTM	885.708.000.000	42.803.631.000.000	0,02
5	JSMR	1.466.000.000.000	36.725.000.000.000	0,04
6	PGAS	5.534.552.344.600	89.598.832.090.495	0,06
7	PTBA	2.037.111.000.000	16.894.043.000.000	0,12
8	TLKM	15.489.000.000.000	166.173.000.000.000	0,09
9	TOTL	191.399.000.000	2.846.153.000.000	0,07
10	UNTR	3.853.491.000.000	61.715.399.000.000	0,06

4. Financial Performance Data in 2016

No	Code	Net Profit	Total Asset	ROA
1	AKRA	1.010.786.393.000	15.830.740.710.000	0,06
2	ASII	15.156.000.000.000	261.855.000.000.000	0,06
3	BBNI	11.338.748.000.000	603.031.880.000.000	0,02
4	BJTM	1.028.216.000.000	43.032.950.000.000	0,02
5	JSMR	1.889.000.000.000	53.500.000.000.000	0,04
6	PGAS	4.088.902.920.556	91.823.679.278.048	0,04
7	PTBA	2.024.405.000.000	18.576.774.000.000	0,11
8	TLKM	19.352.000.000.000	179.611.000.000.000	0,11
9	TOTL	223.018.000.000	2.950.560.000.000	0,08
10	UNTR	5,002.225.000.000	63.991.229.000.000	0,08

APPENDIX 7

COMPANY VALUE DATA

$$PBV = \frac{\text{Market price per share}}{\text{Book value per share}} \times 100\%$$

1. Company Value Data in 2013

No	Code	Market price per share (Rp)	Book value per share (Rp)	PBV
1	AKRA	4375	1381,998846	3,17
2	ASII	6800	2622,99111	2,59
3	BBNI	3950	2582,768184	1,53
4	BJTM	375	387,2200867	0,97
5	JSMR	4725	1552,639301	3,04
6	PGA\S	4475	1343,091875	3,33
7	PTBA	10200	3277,403157	3,11
8	TLKM	2150	760,4563764	2,83
9	TOTL	500	240,1731408	2,08
10	UNTR	19000	9556,999063	1,99

2. Company Value Data in 2014

No	Code	Market price per share (Rp)	Book value per share (Rp)	PBV
1	AKRA	4120	1523,182026	2,70
2	ASII	7425	2972,169947	2,50
3	BBNI	6100	3305,207804	1,85
4	BJTM	460	409,2244759	1,12
5	JSMR	7050	1680,146416	4,20
6	PGAS	6000	1520,556712	3,95
7	PTBA	12500	3763,170931	3,32
8	TLKM	2865	852,5000304	3,36
9	TOTL	1120	234,3797106	4,78
10	UNTR	17350	10341,91325	1,68

3. Company Value Data in 2015

No	Code	Market price per share (Rp)	Book value per share (Rp)	PBV
1	AKRA	7175	1845,054332	3,89
2	ASII	6000	3125,540872	1,92
3	BBNI	4990	4248,591712	1,17
4	BJTM	437	426,2760289	1,03
5	JSMR	5225	1818,921245	2,87
6	PGAS	2745	1720,172754	1,60
7	PTBA	4525	4030,822715	1,12
8	TLKM	3105	926,8651125	3,35
9	TOTL	615	254,0512091	2,42
10	UNTR	16950	10522,49411	1,61

4. Company Value Data in 2016

No	Code	Market price per share (Rp)	Book value per share (Rp)	PBV
1	AKRA	6000	2022,736212	2,97
2	ASII	8275	3455,872549	2,39
3	BBNI	5525	4834,426317	1,14
4	BJTM	570	487,277879	1,17
5	JSMR	4320	2251,189035	1,92
6	PGAS	2700	1757,098498	1,54
7	PTBA	12500	4579,774808	2,73
8	TLKM	3980	1047,063529	3,80
9	TOTL	765	276,4253056	2,77
10	UNTR	21250	11426,3804	1,86

APPENDIX 8

THE RESULT OF DESCRIPTIVE STATISTICAL ANALYSIS

1. Company Value

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PBV	40	.9700	4.7800	2.434250	.9872466
Valid N (listwise)	40				

2. Managerial Ownership

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MNJR	40	.0000003	.0182501	.002915932	.0055394071
Valid N (listwise)	40				

3. Institutional Ownership

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
INST	40	.0700	.8100	.546000	.1927906
Valid N (listwise)	40				

4. Sustainability Report Disclosure

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SRDI	40	.0900	.9700	.333250	.1678887
Valid N (listwise)	40				

5. Financial Performance

Descriptive Statistics

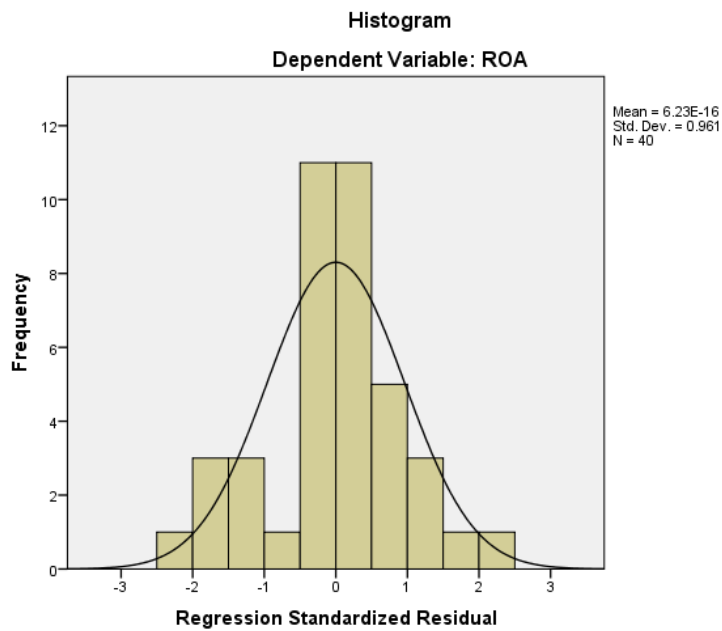
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	40	.0200	.1860	.070225	.0398359
Valid N (listwise)	40				

APPENDIX 9

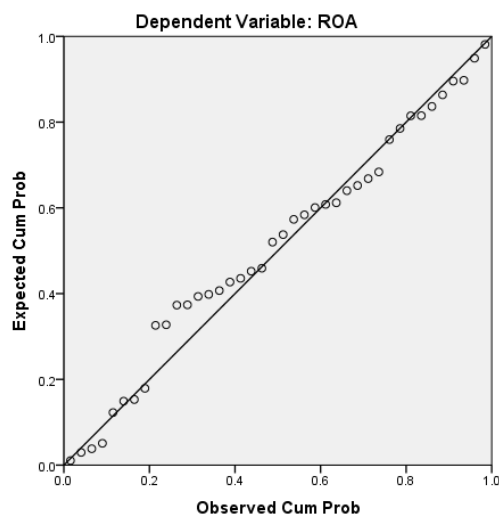
THE RESULTS OF CLASSIC ASSUMPTION TEST SUBSTRUCTURE EQUATION I

1. Normality Test Result with Kolmogorov-Smirnov, Histogram, and P-Plot

One-Sample Kolmogorov-Smirnov Test		
		ROA
N		40
Normal Parameters ^{a,b}	Mean	-2.826773
	Std. Deviation	.6228808
Most Extreme Differences	Absolute	.111
	Positive	.108
	Negative	-.111
Test Statistic		.111
Asymp. Sig. (2-tailed)		.200 ^{c,d}



Normal P-P Plot of Regression Standardized Residual



2. Autocorrelation Test Result

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.460 ^a	.212	.144	.38890	1.669

a. Predictors: (Constant), Lag_SRDI, Lag_MNJR, Lag_INST

b. Dependent Variable: Lag_ROA

3. Multicollinearity Test Result

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-3.267	.383		-8.526	.000		
	MNJR	-.102	.031	-.487	-3.270	.002	.785	1.275
	INST	-.342	.145	-.354	-2.363	.024	.775	1.290
	SRDI	.543	.168	.430	3.233	.003	.985	1.015

a. Dependent Variable: ROA

4. Heteroscedasticity Test Result with Glejser and Scatterplot Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.091	.233		.392	.697
	MNJR	-.005	.019	-.046	-.254	.801
	INST	-.019	.088	-.040	-.221	.826
	SRDI	-.189	.102	-.297	-1.857	.072

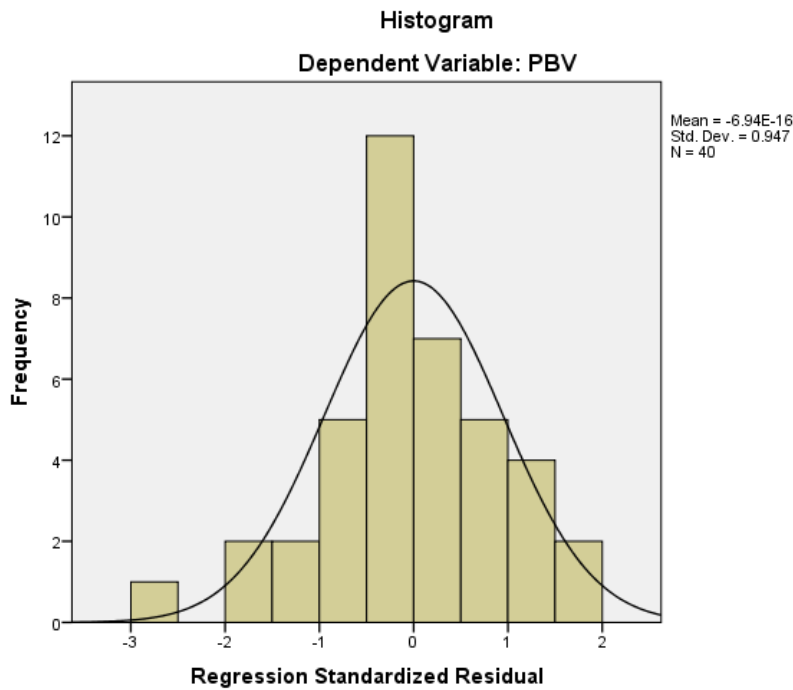
a. Dependent Variable: ResROA

APPENDIX 10

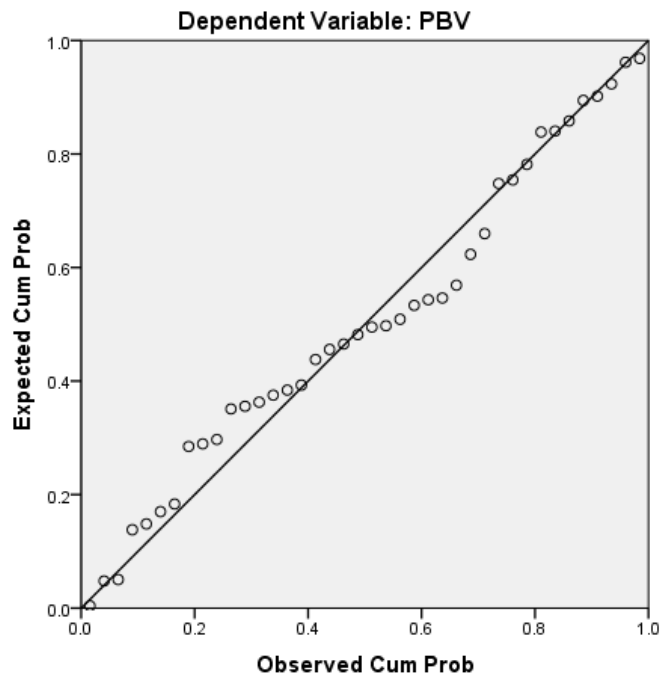
THE RESULTS OF CLASSIC ASSUMPTION TEST SUBSTRUCTURE EQUATION II

1. Normality Test Result with Kolmogorov-Smirnov, Histogram, and P-Plot

One-Sample Kolmogorov-Smirnov Test		
		PBV
N		40
Normal Parameters ^{a,b}	Mean	.801612
	Std. Deviation	.4380531
Most Extreme Differences	Absolute	.121
	Positive	.103
	Negative	-.121
Test Statistic		.121
Asymp. Sig. (2-tailed)		.146 ^c



Normal P-P Plot of Regression Standardized Residual



2. Autocorrelation Test Result

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.647 ^a	.419	.351	.32735	1.981

a. Predictors: (Constant), Lag_ROA2, Lag_INST2, Lag_SRD12, Lag_MNJR2

b. Dependent Variable: Lag_PBV

3. Multicollinearity Test Result

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.753	.434		6.347	.000		
	MNJR	.055	.023	.375	2.386	.023	.605	1.653
	INST	.055	.101	.080	.538	.594	.671	1.490
	SRDI	-.112	.124	-.126	-.902	.373	.764	1.310
	ROA	.562	.109	.799	5.175	.000	.628	1.594

a. Dependent Variable: PBV

4. Heteroscedasticity Test Result with Glejser and Scatterplot Test

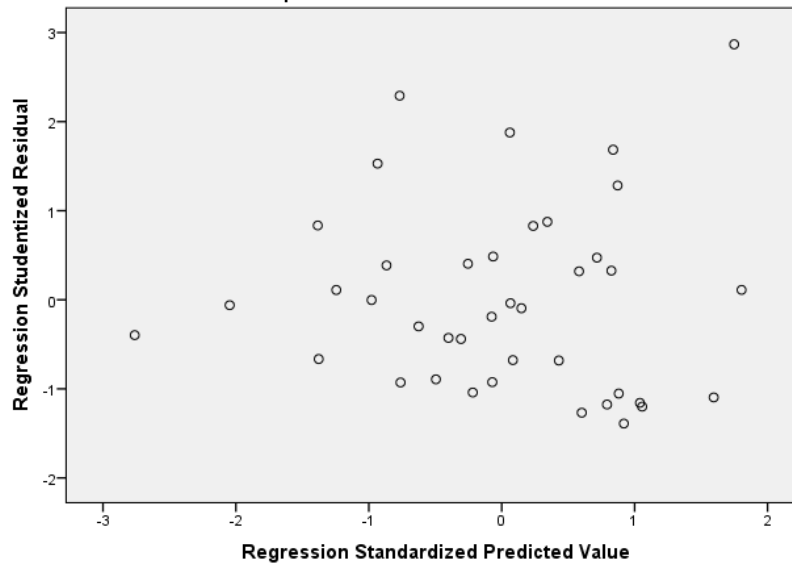
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.584	.276		2.111	.042
	MNJR	.014	.015	.198	.945	.351
	INST	.022	.065	.067	.335	.739
	SRDI	.067	.079	.157	.841	.406
	ROA	.048	.069	.143	.698	.490

a. Dependent Variable: ResPBV

Scatterplot

Dependent Variable: ResPBV



APPENDIX 11

THE RESULT OF HYPOTHESES TEST SUBSTRUCTURE I

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610 ^a	.372	.320	.5135680

a. Predictors: (Constant), SRDI, MNJR, INST

b. Dependent Variable: ROA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.636	3	1.879	7.123	.001 ^b
	Residual	9.495	36	.264		
	Total	15.131	39			

a. Dependent Variable: ROA

b. Predictors: (Constant), SRDI, MNJR, INST

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.267	.383		-8.526	.000
	MNJR	-.102	.031	-.487	-3.270	.002
	INST	-.342	.145	-.354	-2.363	.024
	SRDI	.543	.168	.430	3.233	.003

a. Dependent Variable: ROA

APPENDIX 12

THE RESULT OF HYPOTHESES TEST SUBSTRUCTURE II

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690 ^a	.476	.416	.3346369

a. Predictors: (Constant), ROA, INST, SRDI, MNJR

b. Dependent Variable: PBV

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.564	4	.891	7.957	.000 ^b
	Residual	3.919	35	.112		
	Total	7.484	39			

a. Dependent Variable: PBV

b. Predictors: (Constant), ROA, INST, SRDI, MNJR

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.753	.434		6.347	.000
	MNJR	.055	.023	.375	2.386	.023
	INST	.055	.101	.080	.538	.594
	SRDI	-.112	.124	-.126	-.902	.373
	ROA	.562	.109	.799	5.175	.000

a. Dependent Variable: PBV

APPENDIX 13

THE RESULT OF SOBEL TEST

1. Sobel Test Results of Variables Managerial Ownership, Financial Performance, and Company Value

Preacher And Hayes (2004) SPSS Script For Simple Mediation

Written by Andrew F. Hayes, The Ohio State University

<http://www.comm.ohio-state.edu/ahayes/>

VARIABLES IN SIMPLE MEDIATION MODEL

Y	PBV
X	MNJR
M	ROA

DESCRIPTIVES STATISTICS AND PEARSON CORRELATIONS

	Mean	SD	PBV	MNJR	ROA
PBV	,8016	,4381	1,0000	,0685	,6114
MNJR	-8,3199	2,9815	,0685	1,0000	-,3453
ROA	-2,8268	,6229	,6114	-,3453	1,0000

SAMPLE SIZE

40

DIRECT And TOTAL EFFECTS

	Coeff	s.e.	t	Sig (two)
b (YX)	,0101	,0238	,4234	,6744
b (MX)	-,0721	,0318	-2,2681	,0291
b (YM.X)	,5071	,0903	5,6154	,0000

b(YX.M) ,0467 ,0189 2,4727 ,0181

INDIRECT EFFECT And SIGNIFICANCE USING NORMAL DISTRIBUTION

	Value	s.e.	LL 95 CI	UL 95 CI	Z	Sig(two)
Effect	-,0366	,0176	-,0711	-,0020	-2,0749	,0380

BOOTSTRAP RESULTS For INDIRECT EFFECT

	Data	Mean	s.e.	LL 95 CI	UL 95 CI	LL 99 CI	UL 99 CI
Effect	-,0366	-,0359	,0146	-,0684	-,0101	-,0849	-,0031

NUMBER OF BOOTSTRAP RESAMPLES

1000

FAIRCHILD ET AL. (2009) VARIANCE IN Y ACCOUNTED FOR BY INDIRECT EFFECT:

-,0841

***** NOTES *****

----- END MATRIX -----

2. Sobel Test Results of Variables Institutional Ownership, Financial Performance, and Company Value

Preacher And Hayes (2004) SPSS Script For Simple Mediation

Written by Andrew F. Hayes, The Ohio State University

<http://www.comm.ohio-state.edu/ahayes/>

VARIABLES IN SIMPLE MEDIATION MODEL

Y PBV
X INST
M ROA

DESCRIPTIVES STATISTICS AND PEARSON CORRELATIONS

	Mean	SD	PBV	INST	ROA
PBV	,8016	,4381	1,0000	-,1698	,6114
INST	-,7354	,6451	-,1698	1,0000	-,0759
ROA	-2,8268	,6229	,6114	-,0759	1,0000

SAMPLE SIZE

40

DIRECT And TOTAL EFFECTS

	Coeff	s.e.	t	Sig(two)
b(YX)	-,1153	,1086	-1,0619	,2950
b(MX)	-,0732	,1562	-,4690	,6418
b(YM.X)	,4234	,0906	4,6719	,0000
b(YX.M)	-,0843	,0875	-,9630	,3418

INDIRECT EFFECT And SIGNIFICANCE USING NORMAL DISTRIBUTION

	Value	s.e.	LL 95 CI	UL 95 CI	Z	Sig(two)
Effect	-,0310	,0679	-,1642	,1022	-,4564	,6481

BOOTSTRAP RESULTS For INDIRECT EFFECT

	Data	Mean	s.e.	LL 95 CI	UL 95 CI	LL 99 CI	UL 99 CI
Effect	-,0310	-,0241	,0621	-,1155	,0955	-,1518	,3607

NUMBER OF BOOTSTRAP RESAMPLES

1000

FAIRCHILD ET AL. (2009) VARIANCE IN Y ACCOUNTED FOR BY INDIRECT EFFECT:

,0135

***** NOTES *****

----- END MATRIX -----

3. Sobel Test Results of Variables Sustainability Report Disclosure, Financial Performance, and Company Value

Preacher And Hayes (2004) SPSS Script For Simple Mediation

Written by Andrew F. Hayes, The Ohio State University

<http://www.comm.ohio-state.edu/ahayes/>

VARIABLES IN SIMPLE MEDIATION MODEL

Y PBV
X SRDI
M ROA

DESCRIPTIVES STATISTICS AND PEARSON CORRELATIONS

	Mean	SD	PBV	SRDI	ROA
PBV	,8016	,4381	1,0000	,1934	,6114
SRDI	-1,2133	,4932	,1934	1,0000	,4123
ROA	-2,8268	,6229	,6114	,4123	1,0000

SAMPLE SIZE

40

DIRECT And TOTAL EFFECTS

	Coeff	s.e.	t	Sig(two)
b(YX)	,1718	,1414	1,2152	,2318
b(MX)	,5207	,1867	2,7897	,0082
b(YM.X)	,4505	,1001	4,5011	,0001
b(YX.M)	-,0628	,1264	-,4967	,6223

INDIRECT EFFECT And SIGNIFICANCE USING NORMAL DISTRIBUTION

	Value	s.e.	LL 95 CI	UL 95 CI	Z	Sig(two)
Effect	,2346	,1007	,0373	,4319	2,3300	,0198

BOOTSTRAP RESULTS For INDIRECT EFFECT

	Data	Mean	s.e.	LL 95 CI	UL 95 CI	LL 99 CI	UL 99 CI
Effect	,2346	,2397	,1230	,0272	,5097	-,0170	,6419

NUMBER OF BOOTSTRAP RESAMPLES

1000

FAIRCHILD ET AL. (2009) VARIANCE IN Y ACCOUNTED FOR BY INDIRECT EFFECT:

,0333

***** NOTES *****

----- END MATRIX -----

APPENDIX 14

SOBEL TEST DETERMINATION CALCULATION

1. Managerial Ownership, Financial Performance, and Company Value

$$\text{Indirect Effect} = b(\text{MX}) \times b(\text{YM.X})$$

$$-0,0366 = -0,0721 \times 0,5071$$

$$-0,0366 = -0,0366$$

Significance value is 0,0380

2. Institutional Ownership, Financial Performance, and Company Value

$$\text{Indirect Effect} = b(\text{MX}) \times b(\text{YM.X})$$

$$-0,0310 = -0,0732 \times 0,4234$$

$$-0,0310 = -0,0310$$

Significance value is 0,6481

3. Sustainability Report Disclosure, Financial Performance, and Company Value

$$\text{Indirect Effect} = b(\text{MX}) \times b(\text{YM.X})$$

$$0,0309 = 0,5207 \times 0,4505$$

$$0,2346 = 0,2346$$

Significance value is 0,0198