



**INFLUENCE CORPORATE SOCIAL RESPONSIBILITY
ENVIRONMENTON COMPANY VALUE
(Mining Companies Listed on the
Indonesia Stock Exchange)**

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ABSTRACT

The purpose of this study is to determine and analyze the effect of *Corporate Social Responsibility*. The Environment on Company Value in Mining Companies Listed on the Indonesia Stock Exchange during the 2015-2017 period. The approach used in this study is an associative approach, with a population of 42 companies, and a sample of 20 companies taken by the method *purposive sampling*. The types of data used are quantitative data and secondary data. The data collection technique used in this research is a documentation study technique that uses data in the form of financial report data listed on the Indonesia Stock Exchange. The data analysis technique used in this research is simple regression analysis. While the data processing in this study using SPSS software (*Statistics Package For The Social Science*) for windows version 16.00. The results of this study prove that *Corporate Social Responsibility*. The environment has no significant effect on firm value in miningcompanies listed on the Indonesia Stock Exchange.

Keywords: *Corporate Social Responsibility*, Environment and Corporate Values

A. Introduction

The development of the business world is currently progressing very rapidly and the competition is so tight. When the company is growing, the level of social inequality and environmental damage is also getting higher because of the company's activities that are not controlled by various resources to increase the value of the company. In addition to those directly related to the company, the community and the environment around the company also feel the impact caused by the company's operating activities. Therefore, the company's responsibility is not only to the *stakeholders*, but also to parties who have an interest in the company, such as customers, owners or investors, *suppliers*, community and competitors (Rosiana et al, 2013). Rustriarini (2010), companies will disclose information if the information This can increase the value of the company. Companies can use social and environmental responsibility information as a company's competitive advantage. Companies that have good environmental and social performance will be responded positively by investors through increasing stock prices. If the company has poor environmental and social performance, investors will doubt that it will respond negatively through a decrease in stock prices.

Statement of Indonesian Accounting Standards (PSAK) No.1 (revised 2012) paragraph 15 which explains that "Entities may also present separately from financial statements, financial statements regarding the environment and value added reports (*value added statement*), khususnya bagi industri dimana faktor lingkungan hidup memegang peranan penting dan bagi industri yang menganggap karyawan sebagai kelompok penggunaan laporan yang memegang peranan penting. Laporan tambahan tersebut di luar ruang lingkup Standar Akuntansi Keuangan". Nilai perusahaan didefinisikan sebagai nilai pasar, karena

nilai perusahaan dapat memberikan kemakmuran bagi pemegang saham secara maksimum apabila harga saham meningkat. Semakin tinggi harga saham perusahaan, maka semakin tinggi pula kemakmuran pemegang saham. *Enterprise Value (EV)* atau dikenal juga sebagai *firm value* (nilai perusahaan) merupakan konsep penting bagi investor, karena merupakan indikator bagi pasar menilai perusahaan secara keseluruhan (Nurlela dan Islahuddin, 2008).

B. Theoretical Basis

1. Agency Theory

Agency theory is an agreement relationship between the owner and the agent in order to produce an agreement or contract. With this, the owner wants to know information or management activities related to investments or funds in the company and as a company responsibility related to the manager's performance. (Ariningtika et al., 2013) states that in the agency relationship there is a contract where the principal authorizes the agent to manage his business and make the best decisions for the principal.

2. Theory Stakeholder

Theory *stakeholders* said that the company is not an entity that only operates for its own interests but must provide benefits for *stakeholders* - her. Corporate social responsibility should go beyond maximizing profit for the benefit of shareholders (*stakeholders*), but more broadly that the welfare that can be created by the company is actually not limited to the interests of shareholders, but also for the interests of stakeholders, namely all parties who have a relationship or claim to the company (Waryanti, 2009).

3. Theory Signaling

Signal theory explains why companies have the urge to provide financial statement information to external parties. Firms can increase firm value by reducing information asymmetry. One way to reduce information asymmetry is to provide signals to outsiders, one of which is in the form of reliable financial information and will reduce uncertainty about the company's future prospects (Juliarsa Gede, 2013).

4. Environmental CSR

Environmental disclosure (*environmental disclosure*) is one of the voluntary disclosures that are part of corporate social responsibility reporting (*corporate social reporting*). *Corporate social reporting* express the company's concern for social and environmental issues. The company's concern for environmental problems is carried out by implementing environmental performance programs for a certain period of time. The results of the implementation of these environmental performance programs need to be disclosed in a report, either in an annual report or in another separate report called a sustainability report (*sustainability report*).

Corporate environmental disclosures (*corporate environment disclosure*) according to Berthelot, et al (2003) in Qorrina (2010) defined as a set of information related to the past, present and future resulting from decisions and steps taken by the company's environmental management. Companies in making voluntary disclosures, both social disclosures and environmental disclosures will consider the costs and benefits of these actions. If the benefits to be gained by disclosing the information are greater than the costs incurred



to disclose it, the company will voluntarily disclose the information and vice versa (Angraini, 2006).

5. The Value Of The Company

Company value is defined as market value, because the value of the company can provide maximum prosperity for shareholders if the share price is the company increases. The higher the share price, the higher the prosperity of shareholders. To achieve company value, investors generally leave their management to professionals. Professionals are positioned as managers or commissioners (Nurlela and Islahudin, 2008).

C. Research Method

The approach in this research is associative research which is a research that aims to determine the influence between two or more variables. With this research, the test results can be used as a basis for drawing research conclusions, supporting or rejecting the hypotheses developed from the theoretical studies made. The objects in this study are mining companies listed on the Indonesia Stock Exchange (IDX) in 2015-2017.

D. Research and Discussion Results

1. Research

Test Statistic t

To determine whether or not the influence of the independent variable partially on the dependent variable. To find out whether the above model is suitable for use or not, it can be seen through the level of significance of the independent variables on the dependent variable both individually and as a whole, then the t-test statistic is used. To partially prove whether there is an influence between Environmental CSR on firm value, a t-test can be performed as follows:

$t_{count} = 0.009$

$t_{table} = 1.671$

Tabel 1
Partial Results (t)

Model	Unstandardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Coefficients Beta		
1	(Constant)	1,247	.190	6.576	.000
	CSREnvironment	.005	.581	.001	.993

In the table above, t_{count} on environmental CSR is 0.009. At degrees of freedom (df) = $n - 2 = 60 - 2 = 58$, it is found that t_{table} of 1,671. Based on the results of the regression analysis, it was obtained that the t count was $0.009 < t_{table}$ 1.671 and the significant value (Sig.) was $0.993 > 0.05$. Then it can be concluded that H_0 accepted and H_a rejected, which means that it can be concluded that environmental CSR has no significant effect.

Test Determination Coefficient Test (Rsquare)

To find out how much the independent variable of environmental CSR is able to explain the dependent variable (company value). The following are the results of the determination test (R Square).

Tabel 2
Determination Output Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.001a	.000	-.017	.91952	1,292

Based on the table above, it is known that the value of *R Square* of 0.000 is the square of the correlation coefficient or R, which is $0.001 \times 0.001 = 0.00$. The magnitude of the coefficient of determination (*R Square*) of 0.00 is equal to 0%. While the rest ($100\% - 0\% = 100\%$) which means that Environmental CSR does not have a significant correlation to the value of the company at 0% is seen based on the correlation coefficient interpretation table. While the remaining 100% is explained by other unknown factors or variables and is not included in this regression analysis. The magnitude of the influence of other variables is often referred to as error (e). The table above shows the coefficient of determination *Adjusted (R-Square)* which is used to determine the percentage of the effect of the independent variable on the dependent variable of -0.017 which has a negative value, so if the value is negative then the value is considered 0 or the independent variable is not at all able to explain the variance of the dependent variable.

2. Discussion

The Effect of Environmental CSR on Company Value

In this discussion, it is about the results of research findings this is against the suitability of theories, opinions, and previous research that has been carried out previously stated as well as the pattern of behavior that must be carried out, Based on the t-test table, t count is $0.009 < t$ table 1.671 this it means that environmental CSR has no effect on company value and significance probability value of 0.993 indicates a higher value large compared to the value at the level of significance that has been previously determined, i.e. 0.05 ($0.993 > 0.05$). Therefore, can concluded that environmental CSR has no significant effect to firm value (Tobins'Q). Based on this description. The company does not yet have a genuine commitment to change its operational activities to be more environmentally friendly. Most companies only focus on financial factors. The company is less concerned about environmental and social factors, it is proven with the disclosures made by the company is still far from standard which has been set. And also proven by the inconsistency company in each period to disclose responsibility corporate social responsibility to the community and stakeholders.

E. Conclusions And Sugesstion

A. Conclusions

After analyzing the data and getting the research results and described in this discussion are as follows:

1. There is no influence of environmental CSR on company value (mining companies listed on the IDX, where this shown based on table IV-3, obtained the value of $\text{sig} = 0.993$, means $\text{Sig} <$ of the significant criteria (0.05). Thus the model the regression equation based on the research data is significant or regression model based on research data is significant or model the regression equation meets the criteria, then the environmental CSR variable has a significantly significant effect on the variable value of company.
2. The percentage of the influence of environmental CSR (X) on the variable firm value (Y) is



known by performing a determination test that it is known that there is no effect of environmental CSR on the variable company value of 0.000 (0%) While the remaining 100% explained by other unknown factors or variables and not included in this regression analysis.

B. Sugestions

Based on the limitations and results of this study, the researchers provide the following suggestions:

1. For companies in disclosing environmental CSR to mining companies should disclose more CSR environment and described in detail in accordance with report guidelines *Global Reporting Initiative*.
2. For investors in making investments and not considering only for short-term gain, but also for continuity and existence of investment and discard assumptions that environmental CSR will only burden financial performance company.
3. For the community to be more appreciative of companies that do as well as revealing their social responsibilities to the environment by consuming artificial products, for survival as well as the existence of companies that are willing to take responsibility.
4. For the next researcher, further research should increase the number of samples and years of observation are longer and use application *Good Corporate Governance (GCG)* and *Corporate Social Responsibility (CSR)* economic and social research that It is hoped that better results can be obtained. aside from that environmental CSR index measurement must continuously follow existing developments and adapted to the situation environment and in Indonesia in general, as well as providing different weights on each item of disclosure in measuring environmental CSR index.

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