

The Effect of Disclosure Corporate Social Responsibility (CSR) Against Corporate Value

By Inten Meutia



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The Effect of Disclosure Corporate Social Responsibility (CSR) Against Corporate Value with Price Earnings Ratio as Moderating Variables on The Main Sectors

MARZUKI

Accounting Departement
Sriwijaya University
INDONESIA

INTEN MEUTIA

Accounting Departement
Sriwijaya University
INDONESIA
inten26@yahoo.com

EMYLIA YUNIARTI

Accounting Departement
Sriwijaya University
INDONESIA
emylia_yuniarti@yahoo.com

Abstract

Corporate Social Responsibility (CSR) is an activity that should be performed by the company for its survival. CSR activities which are done by the company are intended to get more value from the owners of capital. Besides CSR, other aspects that can be considered by investors is the Price Earnings Ratio (PER), which is owned by the company. PER can be used by investors as a consideration to make business decisions. The use of CSR as a variable that affects the value of the company based on stakeholder theory, the theory explains that a company is owned by all aspects which are related to its company, those are investors, society, and environment. Other theory which supports PER is signaling theory, this theory revealed that the company will disclose the information, where the information can add the firm value.

This research used secondary data which is obtained from BEI. The data tested using the classical assumption test that consists of normality test, multicollinearity, heteroscedasticity, and autocorrelation. The hypothesis tested by linear regression analysis and moderate regression analysis. The result of the test which is obtained from BEI and based on the results of the test Hypothesis 1 yields a significance of 0.124 > 0.05 so CSR disclosure has no effect on the firm value. The test to Hypothesis 2 yields a significance of 0.000 < 0.05 and it is concluded that PER has an influence on the value of the company. Hypothesis 3 yields a significance of 0.039 < 0.05 and it is concluded that PER is a moderating variable.

The conclusion of this research after testing the data, it can be concluded that H1 is rejected, H2 is received, and H3 is accepted. The result of this research is different with the previous one.

Keywords: Corporate Social Responsibility, Price Earnings Ratio, Firm Value.



1. INTRODUCTION

Nowadays the world is in an era of globalization, the era in which humans no longer have a narrow mind about something, an era of human which almost no longer have either the limiting space and time, it is felt in the business world. The decision taking in a company is not only based on the company's financial performance report but also it's required a report of other aspects in the company. One of the aspect that can be used as a source of evaluation for a company to determine a business decision which is aspects of social business of the company. The activities which done by the company can not be separated from the company's environmental activities. The Company will disclose any information that is considered to increase the value of the company. The disclosure and implementation of Corporate Social Responsibility (CSR) can gain social legitimacy and raise the company's value in a society in a long term (Permanasari, 2010).

Research on Disclosure of Corporate Social Responsibility (CSR) is also carried out by the state of the world. From research conducted by Helg (2007) in Nigeria can be concluded that the disclosure of corporate social responsibility should adapt to the circumstances of a country from its culture, economy and so on, it is proven standards set by European and American society is not able to be well received in Nigeria so hopefully there is a standard that is able to summarize the whole things. Research conducted by Belal (2001) in the State of Bangladesh shows that disclosure of corporate social responsibility is still relatively minimal conducted just around 49% of companies which done CSR disclosure and most companies reveal only voluntary. Hall (2002) study conducted in New Zealand where he made 5 companies have a high profile as a sample. Hall concludes that no clear trend of increased corporate social disclosure. It needs a principle as the legal basis which ensures the continuity of social disclosure. Ratanajongkol (2006) study conducted in Thailand, the results of research he did indicate that there is an upward trend overall, but the study shows that the industry also vary depending trend going.

Every company has a purpose. One of the main purpose of the company to increase the value. Companies that have a good value then it will attract investors to invest in the company. Assessment will be undertaken by the investor will determine their investment, investors assess if bad then they will not invest. The main objective of the investor is to invest for the benefit from the company. To get investors who want to make an investment certainly affected by the rise and fall of the value of a company. One of the aspect which can determine the value of the company is the corporate social responsibility. The value of the company can be reflected in the value of company stock which traded by the company in capital market. It is an indicator of the value of the company (Suharli, 2009).

A good company will not put corporate social responsibility as a cost but as an investment in the long run put them into place. Placement of CSR as a long term investment the company will demonstrate a clear commitment and not just aim to look for short term gains, but also thinking about the future, it is in accordance with the accounting principles of going concern. It is good for the survival of the company as well as to increase the company's value in the public evaluation and potential investors. The various things were done by the company can demonstrate that the company is a part of the community and the environment. For the long term the company will get a huge benefit, it just like gain the trust of the public, and minimize conflicts in a certainly time can occur between companies and communities. Instead the company that considers CSR as a mere cost then of course they are not too concerned with the public. The community will automatically do the same thing, so it's very easy to have a friction in the daily life caused by factors both small and large. Based on the description in fact companies that perform activities in the field are still very few who did those things. They tend to pursue short-term gains, but not too concerned about the long term. Information is a fundamental requirement for investors and potential investors to make decisions. Complete information, as well as the precise time needed by investors in determining business decisions to be taken. As one of the information needed by investors at the moment is information about the corporate social responsibility of the company (Sembiring, 2005).

There are several guidance in CSR Disclosure such as from the Global Reporting Initiative list and the standard that used in this study ISO26000. The ISO26000 is a disclosure standard which published in 2010 covering 7 main aspects, namely organizational governance, human rights, labor, environment, fair business practices, consumer issues, community involvement and development. The main aspect of the entire developed into 37 issue of disclosure. The higher the CSR disclosures by the company it is expected that the company will have the higher



value. This also applies to the opposite lower CSR disclosures by the company it is expected that the lower the value of the company.

This study uses a variable moderating the Price Earnings Ratio (PER). Price earnings ratio is an approach used to influence the value of the company for investment, profit growth, dividend yield (Suharli, 2009). The higher the PER, the higher the price per share of the company is, it causes the company's stock included in the blue chip stocks in the capital market. Although the company has a high stock price and included in the blue chip investors, but more like a low PER stocks. Investors expect at a cheap price then one day it'll go (Margaretha and Irma, 2008). This is consistent with the theory of signal which the information disclosed by the company is a signal to outsiders that have interest for the company. If the company provides a high PER information then the value of the company will also be high. This study uses the price earnings ratio as a moderating variable aims to determine whether PER able to influence the relationship between CSR on firm value.

This study uses primary sector companies data listed in Indonesia Stock Exchange the period 2008-2011. This is due the applied of law principle number 40 of 2007 chapter 74, the application of CSR required for a company engaged in the processing of natural resources. The main sectors of the company is a company which produces raw materials. The company consists of the agricultural and mining sectors, the two sectors are the sectors engaged in the processing of natural resources directly. So that it will be match on the seven major aspects in the guidelines set by ISO26000 as the disclosure of corporate social responsibility. Sector companies which consists of agricultural and mining sectors, a sector which is directly related to nature.

Based on the description above, I conducted research with the title "The Effect of Disclosure of Corporate Social Responsibility (CSR) Against Corporate Value with Price Earnings Ratio as Moderating Variables on The Main Sector".

2. THEORY

2.1 Stakeholders Theory

Stakeholder is an individual, group of people, communities or society as a whole or partially with ties and interests of the company. Based on those people who become stakeholders in a company that has legitimacy, power and the interests of the company (Irawan, 2009).

The Company can be affected by the stakeholders in their activities, even the survival of a company depends on the support it can get. Company should always be looking for support by way of disclosure about what it has done for the company to run its business. Some of the reasons companies consider the interests of stakeholders is the issue of environmental issues which involve the interests of various walks of life that can be a threat to the company if they ignore it. Currently all products traded must pay attention to the environment. More investors have a tendency to invest its capital in companies that give attention to the environmental issues. Non-Governmental Organizations nowadays is increasingly vocal in sounding about the environment and often a critic for the company (Iryanie, 2009).

Under these conditions, the company does not regard the owners of capital in this case only as a creditor and investor stakeholders. Company considers all parties can be based on the interests of stakeholders as well as its legitimacy, the investor has an interest to make a profit, the employees concerned to get a decent wage, the public's interest to get the social services of the agency, including in this case the government can be the stakeholders since the power factor has.

2.2 Legitimacy Theory

Legitimacy theory is a theory that explains that the company is an organization that is legitimate. Organization trying to convince the public that they have done their duty to the environment and to the society. The company also seeks to ensure that operates within the boundaries and norms prevailing in society. Some companies who can do the activities undertaken by the social contract society. Its survival and growth based on:

- a. Giving something a community needs
- b. Distribution of economic benefits to the group that has the power



If one time the company can not fulfill its obligations, then the company may cancel the contract in a way not to use the company's products (Harsanti, 2011).

2.3 Signaling Theory

Signaling Theory is a theory that shows how a company shows an information to the users of the information in this case the financial information of a company. It contains the information about what has been done to realize the objectives of the management shareholders. This information is also used to promote the company shows that the company is better than the other companies (Mungniyati, 2009). This theory is based on the assumption that managers and shareholders do not have the same corporate information. There is information known only to the manager alone while shareholders do not know these things can lead to information asymmetry between managers and shareholders. So whenever there is change in the stock price stockholders also obtain information, thus the value of the company is also subject to change. It has been done to achieve the manager's stock price and profit shares can be used as a signal to shareholders and other external parties (Mulianti, 2010). An information can be said to have value in order for investors to react if such information to perform transactions in the capital market (Cheng and Christiawan, 2011).

This theory indicates that the price earnings ratio as a moderating variable may be a signal to investors in assessing whether a company has a high value or low value, as reflected in the company's stock price. Based on this signaling must be done by the company to get investors to invest in the company. The better the signal that the company is given, the better the reaction of investors. In this case the PER can be used as a signal to investors.

2.4 Corporate Social Responsibility (CSR)

Corporate social responsibility is a concept of organization, which has a responsibility to the shareholders, consumers, governments, communities and environments where the company conducts its business activities, in order to achieve sustainable development (Siahaan, 2008).

The definition of Corporate Social Responsibility (CSR) according to the ISO26000 is "Responsibility of an organization for the Impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships. "

There are three categories of Corporate Social Responsibility (CSR) by Susanto (2003), they are:

1. Social Obligation, because the CSR was viewed as one of obligation, then the implementation is generally only meet the minimum requirements set by the government. In this case, no one had the impression in its implementation.
2. Social Reaction, CSR is not only seen as a social obligation, but has begun to grow awareness of the importance of CSR. But for various reasons, the implementation of CSR is still far from the expected, despite being on top just to meet the minimum requirements. In this context, it still needs the external impulses that CSR could be developed further.
3. Social Response, in this phase of the corporation and the community is able to jointly seek opportunities to contribute to the public interest.

Based on the explanation above we can conclude Corporate Social Responsibility (CSR) is the company's attitude toward the public, employees, communities, and the environment that is committed to improving the quality of life in which it has a long-term contribution to the survival of the company relating to employees, the community around the company, as well as environment. This is consistent with legitimacy theory which says that the company has a contract with them.

2.5 Price Earnings Ratio (PER)

Price earnings ratio (PER) is the ratio of share price to net income earned by the firm per share of (Wardani, 2009). Price earnings ratio (PER) is one of the most basic measure of the fundamental stock analysis. Is easy, PER is the



ratio between the share price and net profit of the company, where the price of an issuer's shares compared to net income generated by the issuer within a year. Because the focus of the calculation is the net profit that has generated the company, then by knowing PER an issuer, we can find out whether the price of a stock is considered reasonable or not in real (Hidayat, 2010).

2.6 Corporate Value

Value of company is the basis for investors to invest their capital, in this case the company is focused on valuation of shares owned by the company. For companies that issue shares in the capital of the stock market can be used as a reference for assessing the company. There are several methods that can be used to measure the value of the company, one of them using the market to book ratio. The using measurement of market to book ratio shows the value of a company by comparing the book value and market value (Suharli, 2009).

2.7 ISO26000

ISO26000 is a standard that intended as a guide for companies to undertake social responsibility. These standards govern that should be done in implementing corporate social responsibility. Document ISO 26000:2010 Guidance on Social Responsibility was mainly contains definitions, principles, core subjects and instructions how the principles and core subjects enforced within the organization.

Based on ISO26000 as for the definition of social responsibility is: "Responsibility of an organization for the Impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships. "

ISO26000 consists of 7 main aspects of the disclosure can be used as a leading indicator for the company to perform its social responsibility. The seven main aspects are:

- Organizational Governance
- Human Rights
- Employment
- Environment
- Fair Business Practices
- Consumer Issues
- Engagement and Community Development.

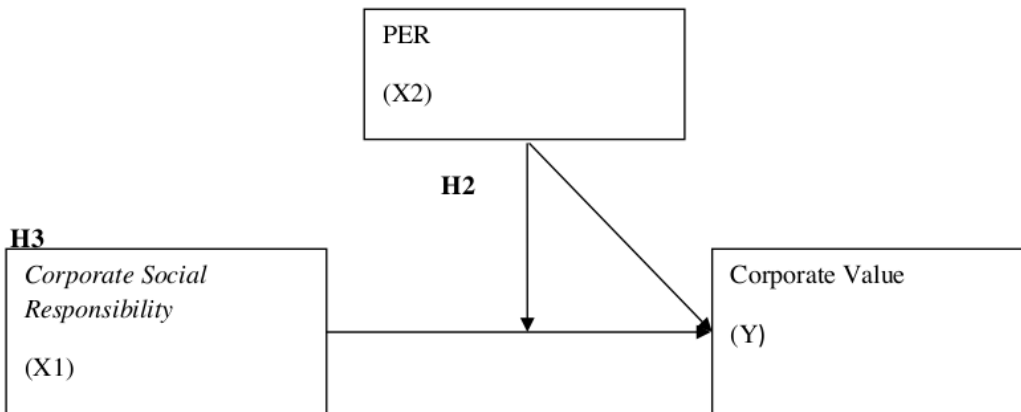
The seven aspects are further developed into 37 issue of disclosure. Issue - the issue which can be used as indicators of the company in carrying out its social responsibility.



3. Research Framework

Based on the discussion above, as well as a literature review of research related to the variables in this study as follows:

Figure 2.1 Framework



H1: Disclosure of Corporate Social Responsibility (CSR) has a positive effect on firm value.

H2: Price earnings ratio (PER) has a positive effect on firm value.

H3: PER has influence as a moderating variable in the relationship between CSR with Corporate Value.

4. RESULTS AND DISCUSSION

4.1 Description of Research Objects

This research uses the object in the form of a public company listed in Indonesia Stock Exchange (BEI), the company posted on the web www.idx.co.id. Public company listed in Indonesia Stock Exchange (BEI) who becomes the object of research is the Primary Sector Company in the year 2008-2011 in accordance with the list of sectors contained in the website IDX.sahamok.com. Primary Sector is the companies listed in Indonesia Stock Exchange (BEI), a sector producing raw materials. Primary sector consists of agriculture and mining sectors. The agricultural sector is divided into several sectors, they are : Livestock sector, plantations, fisheries, and other sectors. The mining sector also consists of several sub-parts sector, the coal mining sector, mining sector, oil and gas, metals and mining sector, other minerals, mining rock - rock and other sectors.

Companies that including to the Sector amounted to 50 companies. (Appendix 1) and using by purposive sampling method with specified criteria. Data of Corporate Social Responsibility (CSR) and financial data obtained through the Annual Performance Report and Summary of Stock. The Companies sample listed from 2008 to 2011.



Table 4.1 Listed of The Companies

No	Code	Name of the Companies
1	AALI	PT. Astra Agro Lestari Tbk.
2	ADRO	PT. Adaro energy Tbk.
3	ANTM	PT. Aneka Tambang Tbk.
4	BUMI	PT. BUMI Resources Tbk.
5	BYAN	PT. BYAN Resources tbk.
6	CPRO	PT. Central Proteinaprima Tbk.
7	ELSA	PT. Elnusa Tbk.
8	ENRG	PT. Energi Mega PersadaTbk.
9	GZCO	PT. GOZCO Plantation Tbk.
10	ITMG	PT. Indo Tambang Raya Megah Tbk
11	LISP	PT. PP London Sumatera Indonesia Tbk.
12	MEDC	PT. Medco energi International Tbk.
13	PTBA	PT. Tambang Batu Bara Bukit Asam (persero) Tbk.
14	SGRO	PT. Sampoerna Agro Tbk.
15	SMAR	PT. Sinar Mas Agro Resources and Tecnology Tbk.
16	TINS	PT. Timah (persero) Tbk.

Sources : sahamok.com

Data in this research consist of from corporate social responsibility, the price earnings ratio (PER), and Firm Value. To calculate the corporate social responsibility (CSR) using dummy variables derived from company annual reports. Price earnings ratio (PER) was obtained from the Performance Summary of Listed Companies in Indonesia Stock Exchange from the year 2008 to 2011. Values are measured using market to book ratio, market to book ratio can also be obtained directly from the Performance Summary of Listed Companies in Indonesia Stock Exchange from the year 2008 to 2011.

4.2 Data Analysis Results

4.2.1 Descriptive Statistics

Results of testing the descriptive statistics of the variables of Corporate Social Responsibility (CSR), Price Earnings Ratio (PER), as well as the value of the company for the period of observation from 2008 to 2011 are presented in the following table.

Table 4.2 Descriptive Statistics Test Results Statistics

Statistics		CSR_X1	PER_X2	Nilai_Y
N	Valid	64	64	64
	Missing	0	0	0
Mean		.7204	16.0498	3.0247
Median		.7297	11.2550	2.3450
Std. Deviation		.10983	30.14506	3.06360
Variance		.012	908.725	9.386
Range		.46	232.05	20.08



Minimum	.43	-80.75	.33
Maximum	.89	151.30	20.41

Sources: Secondary data is processed through SPSS 19

According to descriptive statistics results in the table above, variable Corporate Social Responsibility (CSR) has a value range from 0.43 to 0.89. The lowest value is owned by PT. Gozco Plantation Tbk in 2008, and the highest value is owned by PT. Aneka Tambang (Persero) Tbk in 2010 and 2011, PT. Coal Bukit Asam (Persero) Tbk in 2010 and 2011. Value - average Corporate Social Responsibility (CSR), which is 0.7204. The middle value of 0.7297. Standard deviation of 0.10983 owned. Owned variance of 0.12. CSR value owned by a company is getting its value is close to 1, the more criteria are disclosed ISO26000 company, instead getting closer to 0, the less the company disclosed ISO26000 criteria.

Variable Price Earnings Ratio (PER) has a value range of -80.75 to 151.30. The lowest value is owned by PT. Magnificent Energy Persada Tbk in 2010 and the highest value is owned by PT. BYAN Resources Tbk in 2008. Average value PER is 16.0498. The middle value of 11.2550. Standard deviation value that is owned 20.14506. The variance of the PER 908 725. Price Earnings Ratio (PER) which is owned by a company shows the company's stock price.

Variable Value Company in this study is the dependent variable. Values are measured using market to book ratio. Market to book ratio has a value range of 12.33 to 20.41. The lowest value is owned by PT. Magnificent Enaergi Persada Tbk in 2008, while the highest value is owned by PT BYAN Resources Tbk in 2010. Value - average market to book ratio, which is 3.0247. The tengah of market value to book ratio which is equal to 2.3450. Standard deviation which is equal to 3.06360 owned and variance equal to the value of 9386. Measurements using the market value of the company to book ratio shows the value of a company, the higher the market value to book value ratio of a company then show the value of company.

4.2.2 Hypothesis 1 (H1) : Correlation between Disclosure of Corporate Social Responsibility (CSR) and Firm Value

Table 4.3 Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.194 ^a	.038	.022	3.02949

Based on the test results of table 4.3 above shows the determination coefficient R, is the correlation coefficient, shows the R value of 0.194 can be interpreted variable Disclosure of Corporate Social Responsibility (CSR) is not too have a close relationship. R Square has a value of 0.038 or can also mean value of 3.8% can be explained by the variable Value of_YCSR_X1 while the remaining 96.2% was explained by other variables not examined. Value Standard Error of the Estimate (SEE) showed a value of 3.02949 shows the error rate estimation.

Simultaneous Significance Test Results (F Test)

Simultaneous significance test results are presented in Table 4.4 below :

Table 4.4 Simultaneous Significance Test Results
ANOVA^b



Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.271	1	22.271	2.427	.124 ^a
	Residual	569.024	62	9.178		
18	Total	591.295	63			

a. Predictors: (Constant), CSR_X1

b. Dependent Variable: Nilai_Y

Simultaneous significance test results shows the results of a significance of 0.1213 0.05 level. Based on these results it can be concluded that the independent variables simultaneously CSR_X1 not have a significant effect on the dependent variable Value of_Y.

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Individual Parameter Significance Test Results (t Test)

Results of individual parameter significance test (t test) are presented in Table 4.5 following:

Table 4.5 Test Results Individual Parameter Significance (t test)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.875	2.532		-.346	.731
	CSR_X1	5.413	3.475	.194	1.558	.124

a. Dependent Variable: Nilai_Y

Sources: Secondary datais processedthroughSPSS19

Based on the results of tests of significance of individual parameters indicated by the output of SPSS19 is presented in Table 4.10 shows the results of significance 0.124 > 0.05 level. Based on these results it can be concluded that there is no significant relationship between the independent variable in this case is CSR_X1 against the dependent variable, that's Value of_Y.

4.2.4 Hypothesis 2 (H2) Correlation Price earnings ratio (PER) and Firm Value.

Table 4.6 Coefficient of Determination Test Results PER

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.436 ^a	.190	.177	2.77899

a. Predictors: (Constant), PER_X2

Based on the table 4:6 coefficient of determination above test results indicate R, is the correlation coefficient, shows the R value of 0.436 can be interpreted variable Price Earnings Ratio (PER) is not too have a close relationship. R Square has a value of 0.190 or can also mean value of 19.0% can be explained by the variable Value of_Y CSR_X1 while



the remaining 81% is explained by other variables not examined. Value Standard Error of the Estimate (SEE) showed a value of 2.77899 shows the error rate estimation.

Simultaneous Significance Test Results (F Test)

Table 4.7 Test Results Statistics F Price Earnings Ratio to Value Company ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	112.481	1	112.481	14.565	.000 ^a
	Residual	478.813	62	7.723		
2	Total	591.295	63			

a. Predictors: (Constant), PER_X2

b. Dependent Variable: Nilai_Y

Based on Table 4.7 shows the result of statistical tests of significance for F with value $0.000 > 0.05$. The results of the independent variables shows that Price Earnings Ratio (PER) has a significant influence on the variable in this case independent Value of_Y.

Individual Parameter Significance Test Results (t Test)

Results of individual parameters significance test (t test) are presented in the following table below.

Table 4.7 Test Results Statistics t Price Earnings Ratio (PER) to Company Value

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.313	.394		5.868	.000
8	PER_X2	.044	.012	.436	3.816	.000

a. Dependent Variable: Nilai_Y

Based on the test results indicated the significance of individual parameters by SPSS 19 output is presented in Table 4.13 shows the results of significance $0.000 > 0.05$. Based on these results it can be concluded that there is a significant relationship between the independent variable in this case the dependent variable PER_X2 the Value of_Y.

4.2.5 Hypothesis 3 (H3) PER as a moderating variable in relationship between CSR with Corporate Value

The results of hypothesis testing using Moderate Regression Analysis (MRA) is described as follows:

Table 4.8 Determination Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate



1	.524 ^a	.274	.238	2.67468
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a. Predictors: (Constant), Moderating_X1.X2, CSR_X1, PER_X2

Table 4.8 shows the amount of Adjusted R Square of 0.238, the value can also be interpreted as 23.8%. The meaning of the value of 23.8% CSR, and Moderation PER explained in terms of company value is measured using Market to Book Ratio. 76.2% while the remaining were explained by other causes outside the model.

Simultaneous Significance Test Results (F Test)

Table 4.9 F Statistic Test Results
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	162.060	3	54.020	7.551	.000 ^a
	Residual	429.234	60	7.154		
	Total	591.295	63			

a. Predictors: (Constant), Moderating_X1.X2, CSR_X1, PER_X2

b. Dependent Variable: Nilai_Y

Based on SPSS output it is shown in Table 4.9 shows the test results indicate significance of the F statistic $0.000 < 0.05$ it indicates that CSR, and Moderation PER affect the company value in this case is measured by the Market to Book Ratio.

Individual Parameter Significance Test Results (t Test Statistic)

Results of individual parameter significance test (t test) are presented in table 4.8 belows :

Table 4.8 t Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.728	3.582		1.320	.192
	CSR_X1	-3.621	5.059	-.130	-7.16	.477
	PER_X2	-.489	.253	-4.813	-1.933	.058
	Moderating_PER	.747	.355	5.269	2.107	.039

a. Dependent Variable: Nilai_Y

Based on t-test results shown in Table 4: 3 shows the significance value 0.039 Variables Moderating > 0.05 , this thing has a moderating variable showed a significant effect on company value in this case is measured by the Market to Book Ratio. Moderating variable has a value of 0.039 > 0.05 it shows that PER moderation is moderating variables.

4.2.6 Hypothesis Testing Result⁴⁷

According to the explanations that have been described in Chapter III of this study using a regression equation model to test the hypothesis. There are three hypotheses tested are:



- H1: Disclosure of corporate social responsibility (CSR) has a positive effect on firm value.
 H2: Price earnings ratio (PER) has a positive effect on firm value.
 H3: PER has influence as a moderating variable in the relationship between CSR with Corporate Value.

As for the calculation of linear regression and moderated regression analysis are shown in Table belows :

Table 4:17 Regression Results Calculation and Moderate Linear Regression Analysis

Hipotesis	Equation	Adjusted R ²	Sig. F	Sig. t	Decision
H1	Nilai_Y = -0.875+5.413	0.022	0.124	0.124	Rejected
H2	Nilai_Y = 2.313+0.044	0.177	0	0	Accepted
H3	Nilai_Y = 4.728-3.621 CSR_X1 - 0.489 PER_X2+ 0.747 Moderating_PER	0.238	0.039	0.039	Accepted

Sources: Secondary data is processed

- Hypothesis 1 (H1)
 Hypothesis 1 examined the effect of Disclosure of Corporate Social Responsibility (CSR) to the Company's value. Based on the results of measurements of the table 4.17 linear regression revealed a significance level of 0.124> 0.05.berdasarkan these results, the hypothesis 1 is rejected.
- Hypothesis 2 (H2)
 Hypothesis 2 examined the effect of Price Earnings Ratio (PER) of the Company's value. Based on the results shown in Table 4.17 shows the measurement results of linear regression significance level of 0.00 <0.05. Based on these results, the hypothesis 2 is accepted.
- Hypothesis 3 (H3)
 Hypothesis testing price earnings ratio as a moderating variable in the relationship between Pengungkapan corporate social responsibility (CSR) on firm value. Based on the results shown in the table of measurements moderate 4:17 regression analysis showed a significance value of 0.039> 0.05. Based on these results, the hypothesis 3 is accepted.

5. CLOSING

5.1 Conclusion

Based on the analysis above, we can conclude :

1. The disclosure of Corporate Social Responsibility (CSR) does not significantly affect the value of the company. This is shown by the significant value Disclosure of Corporate Social Responsibility (CSR) of 0.124> 0.05.
2. Price Earnings Ratio (PER) significantly affect on firm value. This is shown by the level of significance that is owned by the PER for 0000> 0.05. The results showed that the "PER has a positive effect on firm value" is accepted.

Price Earnings Ratio as a moderating variable a significant effect on the relationship between the value of the company's CSR disclosure. This is shown by the level of significance that has a value of 0.039> 0.05. The results showed that the "PER has a moderating effect on the relationship as variabel CSR with corporate value" accepted.



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5.2 Limitations

This study has several limitations that may cause disruption to the research results,:

1. It took only sample of primary sector companies listed in Indonesian Stock Exchange which only 16 companies.
2. It using the market to book ratio as a measure of the value of the company. The measurement of companies value can use many methods, so that the market to book ratio may have different results with other measurement tools.

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