Analysis the Effect Disclosure of Sustainability Report, Economic Value Added and Other Fundamental Factors of Companies on Company Value

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Abstract This study aims to analyze the effect of Sustainability Report disclosures, EVA (Economic Value Added), DER (Debt to Equity Ratio), and PER (Price to Earning Ratio) to firm value. The study was conducted on companies that are consistently included in the LQ 45 Index on the Indonesia Stock Exchange with a research period of 3 (three) years (2016-2018). The estimation of the model used is multiple regression. The results of this study indicate that disclosure of Sustainability Report, DER (Debt to Equity Ratio), and PER (Price to Earning Ratio) affect the value of the company, while EVA (Economic Value Added) does not affect the firm value. These results can prove stakeholder theory which says that a company is not an entity that only operates for its own sake but must provide benefits to its stakeholders.

Keywords Sustainability Report, EVA, DER, PER, Company Value

1. Introduction

The main goal of the company is to increase the prosperity of shareholders through maximizing company value (value maximization). In general, the maximization of company value refers to the value of the equity market, so for companies that go public related to stock market prices. Many factors can influence stock prices, both internal and external factors of the company. External factors include national and international economic conditions, while internal factors such as financial performance, employee welfare, corporate image and corporate responsibility towards the environment.

Environmental damage is a serious problem in recent years. This is caused by economic activities carried out in various parts of the world. One of the economic actors that is often the cause of environmental problems is the company.

One example of environmental damage is the case of environmental damage due to coal waste along the Air Bengkulu River Basin to the coast in the cities of Bengkulu and Bengkulu Tengah that have occurred since the 1980s until now 2018 is real and invisible. Nevertheless, the regional government has never tried to find a mining company to be held accountable.

Other indications, such as ex-reclaimed mining holes, damage to forest areas, the obligation to pay reclamation guarantees and post-mining guarantees that are not fulfilled also seem to be left unchecked. In fact, the permit issue was indicated as being included in the conservation and protection forest areas revealed in a letter from the Directorate General of Palonology of the Ministry of Forestry No. S.706 / VII-PKH / 2014 dated July 10, 2014 has not been followed up. At least, 12 coals mining IUPs are indicated as being included in conservation and protected forest areas whose actions are not clear. “For example, IUP is
indicated to enter conservation forest, is it revoked, it is not clear. Likewise, IUPs indicated that entering protected forests, especially IUP for operations and production, may have been in production, even though they do not have licenses to borrow and use forest areas. If it is already in production, but does not have a borrowing permit using the forest area, of course it is a violation of the rules. Based on satellite imagery and overlay of coal mine IUP, there are at least 22 unclaim mine holes. The gaping mines excavation holes are still clear evidence of state absence and evidence of ecological crime by the company.

The state is not present in overseeing and cracking down on coal companies that are strongly indicated to violate human rights (HAM) and rules. So that coal mining companies feel free to operate. The Executive Director of the Bengkulu Walhi Region, Beni Ardiansyah, stated this

According to Laurenco (2014), many companies exploit natural resources and human resources to increase company profits. However, this is not in line with what the company wants. When the company's profits continue to increase, on the other hand the damage caused by the production of goods increases, so that the level of taxes and fees for cleanliness, health and environmental sustainability continues to increase.

Along with the demands of the community towards the company to provide its social responsibility, the company developed a 3P concept introduced by Elkington (1988), namely People, Planet and Profit or referred to as the Triple Bottom-Line concept. The concept is a reflection of the terms known by various companies in the world, namely Sustainability. Sustainability has its own meaning for the company, namely the company's ability to survive as long as possible or called Long-Life Company. John Elkington (1998) states: "At its narrowest, the term" triple-bottom line "is used as a framework of measuring and reporting corporate performance against economic, social and environmental parameters. At its broadest, the terms and conditions that companies must address in order to minimize any harm resulting from their activities and to create economic, social, and environmental values. The three representative society lines, the economic, and the environment. Society depends on the economy - and the economy depends on the global ecosystem, whose health represents the ultimate bottom line".

At present, many companies in the world are required to provide accountability reports to stakeholders. Stakeholders are interested in understanding how to approach economic, social and environmental impacts in daily activities (GRI, 2013). Sustainability Reporting itself is still voluntary, which means there are no rules that require companies to publish a Sustainability Report.

In Indonesia itself, it has been explained in the Statement of Financial Accounting Standards (PSAK) No.1 paragraph nine, namely "Companies can also provide additional reports such as reports on the environment and reports of added value, especially for industries where factors the environment plays an important role and for industries that regard employees as a group of report users who play an important role ". The statement reflects that the Sustainability Report is still recommended for companies that want to publish the report. The Sustainability Report is increasingly becoming a trend and the need for progressive companies to inform their economic, social and environmental performance as well as all stakeholders (Chariri, 2013).

Sustainability Report disclosure is one form of communication and concern for the company towards the community. Companies that disclose Sustainability Reports tend to provide more information to the public, so they can increase the company's "images" and community "trusts". According to Laurencen (2014), one of the benefits of sustainability reports is to give confidence to investors and creditors that their investments are free from environmental risks and social risks. Investing funds into the company carried out by investors through the purchase of shares will increase the value of the company.

In addition to Sustainability Report disclosures, performance appraisals can also be seen from the results of financial statement evaluations. Value ratios listed in financial statements such as Return on Investment (ROI), Return on Equity (ROE), Return on Assets (ROA), Net Profit Margin (NPM), are able to show the company's performance for a certain period. However, at present the financial ratio values in the financial report are considered to be no longer sufficient and the measurement model must be adapted to the business environment. An important weakness in the use of financial ratios is that reported earnings do not include the capital cost element. To overcome this weakness developed the concept of Economic Value Added (EVA).
The concept of Economic Value Added (EVA) measures added value by reducing the cost of capital arising from investments made by the company. Positive Economic Value Added (EVA) indicates that the company has succeeded in creating value for capital owners because the company is able to produce returns that exceed the level of capital. This is in line with the aim of maximizing the value of the company.

Hermuningsih (2018) states that EVA is a performance measure that combines the acquisition of value with the cost of obtaining that value. The advantages of EVA for providing benefits for performance measurement make the company pay more attention to the capital structure that can be used to identify activities or projects that provide high returns than capital. Performance appraisal using EVA makes managers think and act like shareholders, namely maximizing the rate of return and minimizing the level of capital costs so that the company's value can be maximized.

Fundamental analysis can also be used to view performance information and internal conditions of the company which are generally indicated by the company's financial and economic conditions, and sales growth. In fundamental analysis, there are several financial ratios that can reflect the financial condition and performance of a company. These ratios are used to explain the strengths and weaknesses of the company's financial condition. The better the company's financial performance reflected in its ratios, the higher the value of the company's shares (Horne, 1997 in Sutra, 2014).

Based on the description of the background above, the authors are interested in conducting research with the title "Analysis of the Effect of Sustainability Report Disclosures, Economic Value Added and Fundamental Analysis of Company Values.

1.1. Problem Identification
Based on the background that has been described, and then the problems in this study are formulated as follow:

1. Does sustainability report disclosure affect the value of the company?
2. Does Economic Value Added affect the value of the company?
3. Does the Debt to Equity Ratio (DER) affect the value of the company?
4. Does Price Earning Ratio (PER) affect the value of the company?

2. Literature Review
2.1. Stakeholder Theory
Stakeholder theory says that a company is not an entity that only operates for its own sake but must provide benefits to its stakeholders. Thus, the existence of a company is strongly influenced by the support provided by stakeholders to the company. Corporate social responsibility should go beyond maximizing profit for the benefit of stakeholders (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 to the interests of stakeholders, namely all parties that have an interest or interest towards the company. To meet the needs of stakeholders, the company, among others, issues sustainability reporting which is expected to further increase the value of the company.

2.2. The Value Of The Company
The value of the company in this study is defined as market value, as well as research conducted by Gunawan and Mayangsari (2015), because the value of the company can provide maximum shareholder prosperity if the company's stock price increases. The higher the stock price, the higher the prosperity of shareholders. In order to achieve company value, investors generally hand over their management to professionals. Professionals are positioned as managers or commissioners.

Gunawan and Mayangsari (2015), explain that enterprise value (EV) or also known as firm value is an important concept for investors, because it is an indicator for the market to assess the company as a whole. Basically the purpose of financial management is to maximize the value of the company. However, behind this goal there is still a conflict between the owner of the company and the provider of funds as a creditor. If the company runs smoothly, then the value of the company's shares will increase, while the value of the company's debt in the form of bonds is not affected at all. So it can be concluded that the value of ownership shares can be the right index to measure the level of effectiveness of the company. Based on
that reason, the purpose of financial management is expressed in the form of maximizing the value of the company's ownership shares, or maximizing the share price.

The purpose of maximizing stock prices does not mean that managers must try to find an increase in share value at the expense of bondholders. The company's goal is basically to maximize company value. To achieve this goal there are still conflicts between the owner of the company and the provider of funds as a creditor. If the company runs smoothly, then the value of the company's shares will increase, while the value of the company's debt in the form of bonds is not affected at all. It can be concluded that the value of ownership shares can be the right index to measure the level of effectiveness of the company. Based on that reason, the purpose of financial management is expressed in the form of maximizing the value of the company's ownership shares or maximizing share prices. The purpose of maximizing stock prices does not mean that managers must strive to increase stock values at the expense of bondholders (Safitri, 2015).

A company is said to have good value if the company's performance is also good. The value of the company can be reflected in the price of its shares. If the value of the shares is high, it can be said that the value of the company is also good. Because the main goal of the company is to increase the value of the company through increasing the prosperity of the owner or shareholders (Gapensi, 1996).

2.3. Sustainability Report

Growing Sustainability reporting is part of the concept of sustainable development. Sustainability development means that current development can be fulfilled without having to reduce the needs of future generations to meet their needs (Heemskerk, 2013). Sustainability development needs to be implemented because current economic activities tend to damage the global ecosystem and hamper the needs of the next generation (Main, 2010). Sustainability reporting is used as a media for corporate information to stakeholders to support sustainable development. According to Elkington (1998), disclosure of organizational performance in Sustainability reporting focuses on three aspects called the Triple bottom line, which consists of economic, social, and environmental. Hermuningsih (2018) said economists were the group most reluctant to deal with sustainability issues because they treated sustainability as a matter of economic resources rather than public problems. The reason why economists are reluctant to recognize sustainability as a public issue is that the concept of sustainability is fundamentally incompatible with conventional economic theory (Michelon, 2010).

Sustainability reporting for companies is the publication of information that reflects organizational performance in the economic, social, and environmental dimensions. Focus on sustainability helps organizations manage social and environmental impacts, and can improve operational efficiency and natural resources (Michelon, 2010). Sustainability report is expressed as a form of company commitment to the community and the environment around the company. Sustainability report is information medium for internal and external stakeholders to assess whether the management of a company has carried out what has become its responsibility (Sari, 2013).

The Corporate Social Responsibility currently disclosed in the Sustainability Report reports transparently the economic, environmental and social impacts of company activities. Openness about these matters will convince stakeholders that the company has been managed well and that the company has paid attention to the interests of investors and thus will build investor confidence (Anggraini, 2018).

2.4. Economic Value Added (EVA)

The emergence of the term EVA (Economic Value Added) was popularized by the Stern Stewart Management Service, a consulting company from the United States. EVA calculation has been widely used in various large companies in the United States.

EVA is based on the concept of measuring a company's profits, that it must be "fair" to consider the expectations of each fund provider (creditors and shareholders). The degree of justice is expressed by a weighted measure of the existing capital structure. For this reason, there needs to be an understanding of the concept of capital (cost of capital) because EVA (Economic Value Added) moves from there. In summary according to Young and O'Byrne (2001) EVA is calculated by a simple formula like the following:

\[
EVA = NOPAT - \text{Capital Charge}
\]
Where,

NOPAT = Net Operating Profit after Tax (Income after tax but not yet deducted by interest costs)
Capital Charge = Invested Capital x Cost of Capital

If EVA > 0 then there is an additional economic value in the company (business).
If EVA = 0, then the meaning is that economically the company breaks even, because all profits are used to pay obligations to funders, both creditors and shareholders.
If EVA < 0, then there is no added value to the company because the available profits cannot meet the expectations of funders, especially shareholders.

The steps in determining the size of EVA are:
1. Calculating/estimating the cost of debt
2. Estimating the cost of equity
3. Calculate the capital structure (from the balance sheet)
4. Calculate weighted capital costs (WACC)
5. Calculating EVA (Economic Value Added).

2.5. Fundamental Analysis

Fundamental analysis states that every stock investment has a strong foundation called intrinsic value which can be determined through a very careful analysis of the current condition of the company and its future prospects. Intrinsic value is a function of company factors that are combined to produce an expected return with a risk inherent in the stock.

This value is estimated by investors or analysts, and the results of this estimation are compared with the current market value so that stocks that are overprice or underprice can be known (Sunariyah, 2014). Husnan (2008) in Sutra (2014) states that fundamental analysts try to estimate stock prices in the future by (1) estimating the value of fundamental factors that influence stock prices in the future (2) applying the relationship of these factors so that the estimated stock price is obtained.

To estimate stock prices can use fundamental analysis that analyzes the financial and economic conditions of the company that issued the shares. The analysis can include sales and profit trends of the company, product quality, competitive position of the company in the market, work relations between the company and employees, sources of raw materials, company regulations and several other factors that can affect the value of the company.

2.6. Debt to Equity Ratio (DER)

DER (Debt to Equity Ratio) is one of the leverage ratios that measures how much the company’s operations are financed by debt when compared to the operations of companies financed by Equity. This ratio shows how much the company depends on the creditors’ funds compared to the funds provided by the owner. In general, creditors or prospective creditors need information on how much the owner’s funds are as a basis for determining the level of security of the creditor. Low leverage ratio has a small risk of loss when the economy slumps and profits are low when the economy rises.

2.7. Price Earning Ratio (PER)

Price Earning Ratio (PER) is a market ratio related to earnings per share. Price Earning Ratio (PER) is a measure of the important value used by investors on the exchange. This ratio is used as a running method (going concern methods) in valuing shares. As long as the company is a profitable business entity, the Real value (or current value) is reflected through profit. A high PER shows a good prospect at stock prices, but the higher the risk. Low PER can mean high corporate profits, and high dividend potential. The usefulness of this ratio is among others (Van, 2005 in Sutra, 2014); (1) determine the expected stock market value (2) determine the future market value of the stock, and (3) determine the level of stock capitalization. PER is a comparison of the comparison between the Market Price of a stock and EPS of the stock in question.

2.8. Previous Research

The research conducted by Hermuningsih (2018) with the title Effect of Economic Value Added on Tobin Q with Market Value Added as Intervening Variables shows that economic value added (EVA)
variables do not affect Market Value Added (MVA) in registered Food and Beverage companies on the Indonesia Stock Exchange, and the Market value added (MVA) variable affects Tobin Q. Economic Value Added (EVA) has no effect on Tobin Q.

Heryanto (2016) in his research entitled "Effect of Liquidity and Profitability to Bank Stock Return in Indonesia Stock Exchange (IDX)". The results of this study indicate that liquidity and profitability have a significant influence on stock returns. Dwijayanti et al. (2016) examined the effect of the level of CSR disclosure on the relationship between financial performance and stock return. This research was conducted on the Indonesia Stock Exchange in the financial year 2007 to 2015. The influence of the interaction variables was tested by Moderated Regression Analysis (MRA), and different test variables regression coefficients. The results showed that the accounting performance of ROA and EVA partially had a positive effect on stock returns. Whereas CSR disclosure is not proven significantly as an interaction variable on the relationship between ROA and stock return, and EVA with stock return. The results of this study also indicate that there are significant differences between the measurements of ROA performance compared to EVA.

3. Theoretical Framework

Based on the periodization chosen in this study and on the previous description, the theoretical framework of this research is described as follows:

4. Research Hypothesis

By referring to the problem formulation, literature review and the framework outlined earlier, the hypothesis proposed in this study is:

$H_1$: Sustainability report affects the value of the company.

$H_2$: Economic Value Added affects the value of the company.

$H_3$: Debt To Equity Ratio (DER) affects the value of the company.

$H_4$: Price Earning Ratio (PER) affects the value of the company.

5. Methodology of research

5.1. Type of Research

This research is causal research, namely research that aims to test hypotheses about the effect of one or several variables on other variables. The researcher used the research design to provide empirical evidence about the effect of SR, EVA, DER, and PER on firm value.

5.2. Variable Research and Operationalization

1. Sustainability Report

Disclosure of CSR information in the annual report and the sustainability report of business entities is calculated using the CSR disclosure index with the GRI standard version 4.0. CSRI calculations are carried out by giving a score of 1 if one item is disclosed, and 0 if not disclosed. After scoring all items, the score is summed to obtain the overall score for each company. The CSRI calculation formula is:

$$CSR_{ij} = \sum_{n_j} X_{ij}$$  \(2\)

Where:

$CSR_{ij}$: Corporate Social Responsibility Index company j
\[ \sum X_{ij} : \text{The number of items disclosed by the company j} \]
\[ N_j : \text{Number of items for companies based on GRI 4.0 Index (91 items)} \]

2. **Economic Value Added (EVA)**
EVA is a measure of financial performance that takes into account the interests of capital owners. Calculation of EVA with the following formula:

\[ \text{EVA} = \text{NOPAT} - \text{Capital Charge} \]

Where:
\[ \text{NOPAT} : \text{Net Operating Profit after Tax (Income after tax but not yet deducted by interest costs)} \]
\[ \text{Capital Charge} : \text{Invested Capital x Cost Of Capital} \]

3. **Debt to Equity Ratio**
DER shows the company’s ability to meet its total obligations based on its total capital. DER is formulated as follows:

\[ \text{DER} = \frac{\text{Total Debt}}{\text{Total Shareholders Equity}} \]

4. **Price to Earning Ratio (PER)**
PER is used to see the market price performance of a company’s stock on earnings per share (EPS). Mathematically PER can be formulated as follows:

\[ \text{PER} = \frac{P_t}{\text{EPS}} \]

Where:
\[ P_t : \text{Stock Price in period t} \]
\[ \text{EPS} : \text{Earning Per Share} \]

5. **Company Value**
Value Tobins Q describes a condition of investment opportunities that the company has (Lang, et al 1989) or the growth potential of the company (Tobin and Brainard, 1968; Tobin, 1969). Tobin’s value is generated from the sum of the stock market value and debt market value compared to the value of all capital placed in production assets, so Tobins Q can be used to measure company performance, that is, from the potential market value of a company. Tobins Q is measured by:

\[ q = \frac{(MVS + D)}{TA} \]
\[ D = (AVCL - AVCA) + AVLTD \]

a. Market Value of all outstanding shares (MVS), the market value of shares obtained from the multiplication of the number of shares outstanding with the stock price.
b. Debt (D) is the amount of debt market value, where this value can be calculated by, short-term debt, long-term debt and Current Assets consisting of Cash, Accounts Receivable, and Inventory
c. Total Assets (TA) is the total assets of a company

5.3. **Population and Research Samples**
The population for hypothesis testing of this study are all companies included in the companies listed in the 2016-2018 LQ 45 index on the Indonesia Stock Exchange. The sampling technique used was purposive sampling. Samples are set for certain types of groups who can provide the information needed because the group is the only party that has information or because the group matches the criteria set by the researcher.

5.4. **Data collection**
The method of collecting data in this research is carried out in the following ways:
1. Documentation, which is data collection available on the object of research.
2. Library Studies, namely from the literature that deals with problems in writing this research.

5.5. Data Analysis Method
Data analysis was performed using the SPSS 23 program which included analysis as follows:
1. Test Descriptive Statistics
2. Classical Assumption Test consisting of, Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test
3. Feasibility Test Model consisting of Analysis of the Determination Coefficient (R² test), Simultaneous Regression Coefficient Test (F Test) and Partial Test (t Test)

6. Results and discussions
6.1. Description of Research Object
Based on data obtained from the official website of the Indonesia Stock Exchange or www.idx.co.id, it is known that companies that are consistently registered in the LQ 45 Index during the study year (2016-2018) are 45 companies. Determination of the study sample was carried out by purposive sampling method.

6.2. Results of Descriptive Statistics Analysis
From the results of the descriptive statistical test, information is obtained that CSR variables have a range of values from 0.22 to 0.84. The average value of CSR is 0.3916 and the standard deviation is 0.10642 which means that the distribution of data is not too varied, the data is quite good for regression, the distribution of data tends to be close to the average value.

The EVA variable has a range of values from -309,565.56 to 10,055,457.61. The average value of EVA is -652.477.26 and the standard deviation is 2.736.819.56. In this study it can be concluded that the average company in the LQ 45 Index during the 2016-2018 period has a negative EVA value (<0). Negative EVA implies a decrease in the value of wealth. A public company that produces a negative EVA value even though it is able to record a high net profit though, means that this company has not been able to produce a commensurate return on capital to cover the risk and investment costs invested by the investor (investor). Or more simply if the capital owner's funds invest in risk-free securities such as SBIs (Bank Indonesia Certificates) or deposits, the results will be greater and avoid worries about the risk of fluctuations amid uncertain conditions.

DER variables have a range of values from 0.13 to 10.02. DER average value of 2.34. While the standard deviation is 0.87. The average DER value of companies that are in the LQ 45 Index during the 2016-2018 period is equal to 2.34 units, which means that every Rp. 1 equity in the company is used to pay off the total liabilities of Rp. 2.34. In general it can be concluded that companies that are in the LQ 45 Index during the 2016-2018 period are not solvable. However, by some investors, DER is seen as the company's responsibility towards third parties, namely creditors who provide loans to companies, so the greater the value of DER will increase the company's dependents. Debt policy that will be taken by the company relates to the company's ability to repay its debt. The ability of a company can increase the trust of creditors to lend funds to companies.

The PER variable has a value range from -2.62% to 39.10%. Price Earning Ratio is the ratio of how the market values a company's performance as reflected by its earnings per share. Price Earning Ratio shows the relationship between the common stock market and earnings per share. The greater the Price Earning Ratio of a stock, the more expensive the share price will be towards the net income per share. This ratio is usually used by investors to predict the company's ability to generate profits in the future.

The variable value of the company that is proxied by the value of the price book value has a range of values from -0.05 to 0.16. The average value of PBV is 0.0222 and the standard deviation is 0.4070 which means that the distribution of data is not too varied, the data is quite good for regression, the distribution of data tends to be close to the average value.
Classic Assumption Test

The classic assumption test is done so that the regression model in the study is significant and representative. In multiple regression analysis it is necessary to avoid the existence of classical assumptions so that problems do not arise. The basic assumption is that data is normally distributed; there is no heteroscedacity, multicollonality, and autocorrelation.

1. Normality Test

Normality test aims to determine the normality of a data distribution or not. From the output, it can be seen that the Asymp value model. Sig. (2tailed) = 0.200, then according to the provisions of 0.200 > 0.05 then the residual value is normal. Then the data on the model can be said to be normally distributed.

2. Multicollinearity Test

Based on the results of the analysis using the multicollinearity test found in the table above shows that the VIF value is below the number 10, and the tolerance value is above the number 0.10. From the results of these tests it can be concluded that the regression model does not have multicollinearity problems.

3. Heterocystaticity test

From the results of the heterocysticity test it is known that the value of the variable correlation with the Unstandardized Residual has a significance value of more than 0.05. Because the significance is more than 0.05, it can be concluded that there is no problem of heteroscedasticity in the regression model.

4. Autocorrelation Test

From the results, the DW value generated from the regression model is 1.043. Because the DW value is located between dU and (4-dU) (see in the DW table), the null hypothesis is accepted, which means there is no autocorrelation in the regression.

Model Feasibility Test

1. Analysis of the Coefficient of Determination (R^2)

\[ \text{Table 1. Coefficient Analysis Results} \]

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.127 *</td>
<td>.406</td>
<td>.468</td>
<td>.04168</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), PER, CSR, EVA, DER  
b. Dependent Variable: TOBINQ

Based on the results of the analysis using the coefficient of determination test (R^2) contained in the table shows that the Adjusted R Square value is equal to 0.468, this means that 46.8% of the dependent variable in this study is corporate value can be explained by the Corporate Social Responsibility Economic Value Added, Debt to Equity and Price Earning Ratio, while the rest (100% - 40.6% = 53.2%) is explained by other factors outside of this study.

2. Simultaneous Regression Coefficient Test (Test F)

\[ \text{Table 2. F Test Results} \]

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>1.007</td>
<td>7</td>
<td>.145</td>
<td>1.032</td>
<td>.002 *</td>
</tr>
<tr>
<td>Residual</td>
<td>2.305</td>
<td>67</td>
<td>.544</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.312</td>
<td>74</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: TOBINQ  
b. Predictors: (Constant), PER, CSR, EVA, DER
Prob value. F count (sig.) In the table above the value 0.002 is smaller than the significance level of 0.05 so it can be concluded that the linear regression model that is feasible is used to explain the effect of Corporate Social Responsibility Economic Value Added, Debt to Equity and Price Earning Ratio to value company, and also can be said that all independent variables jointly influence the dependent variable.

3. Regression Coefficient Test (t Test)

Table 3. Regression Coefficient Test Results

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.037</td>
<td>.023</td>
<td></td>
<td>1.580</td>
</tr>
<tr>
<td>CSR</td>
<td>.008</td>
<td>.050</td>
<td>.021</td>
<td>.158</td>
</tr>
<tr>
<td>EVA</td>
<td>5.41</td>
<td>.000</td>
<td>.010</td>
<td>.056</td>
</tr>
<tr>
<td>DER</td>
<td>.001</td>
<td>.002</td>
<td>.085</td>
<td>.484</td>
</tr>
<tr>
<td>PER</td>
<td>.088</td>
<td>.001</td>
<td>.104</td>
<td>.798</td>
</tr>
</tbody>
</table>

a. Dependent Variable: TOBINQ

The regression equation is as follows:

\[ PBV = 0.037 + 0.008 \text{CSR} + 1.41 \text{EVA} + 0.001 \text{DER} + 0.088 \text{PER} + e \]

which means:

A constant of 0.044 means that if the value, CSR index, EVA, DER and PER are 0, then the value of the company is 0.037 one-unit.

The regression coefficient of CSR variable is 0.008 which means that if the other independent variables are fixed and CSR has a 1 unit increase, then the value of the company will also increase by 0.008 one-unit. The coefficient is positive, meaning there is a positive relationship between CSR and company value. So that the better the disclosure of CSR in the sustainability report, the greater the value of the company. The test results on CSR variables show a significance value of 0.005 (<0.05). Significant value smaller than 0.05 means that the CSR variable affects the value of the company. The results of this study indicate that the size of the practice of corporate social responsibility influences the increase in corporate value. This is in accordance with the theory that a company is not an entity that only operates for its own sake but must provide benefits to its stakeholders. If the company can maximize the benefits received by stakeholders, satisfaction will arise for stakeholders who will increase the value of the company. Investors have begun to respond well to the social information that the company presents in its annual report. The broader social disclosures that companies make in their annual reports turn out to have an influence on the volume of trading in companies where there is a surge in trade around the publication of annual reports that increase the value of the company.

EVA regression coefficient value of 5.41 which means that every increase in one EVA unit, it will be followed by an increase in company value of 5.41 one-unit. The significant value of the statistical data is 0.096 above the significance value of 0.05, meaning that the EVA variable does not affect the value of the company. This indicates that the value of the company is not always in line with the company's fundamentals, when the company obtains a positive EVA value (> 0), which means that the company is able to create economic value, but does not affect the company's value in the stock market or in the stock market. cannot reflect the company's economic added value. The fact that EVA does not have a significant influence on stock returns in the capital market is not a reflection of EVA proving that the capital market in Indonesia is Weak Form Efficient, namely that stock prices in the capital market do not reflect all the information available.

The relationship between EVA and company value, the problem is that it does not always have to be significant or not, because even though EVA describes how company management manages assets entrusted to them in a certain period, it cannot be denied that the company's value is always related to the company's future expectations (Yunanta, 2017). Even an increase in the value of a company, apart from
EVA, can also be caused by positive market trust in the future prospects of the company or the industrial sector in which the company is located.

Partial test of the DER variable with a regression coefficient value of 0.001, which means that every increase in one DER unit, it will be followed by an increase in company value of 0.001 one-unit. DER significance is 0,000 and that means DER has a significant effect on stock returns. These regression results indicate that there are different considerations from some investors in looking at DER. By some DER investors it is seen as the magnitude of the company's responsibility to third parties namely creditors who provide loans to companies. So that the greater the value of DER will increase the dependence of the company. However, it seems that some investors actually perceive that growing companies will definitely need debt as additional funds to meet funding for growing companies. The company requires a lot of operational funds that cannot be fulfilled only from the company's own capital.

Test the partial PER with a regression coefficient value of variable PER 0.088 which means that every increase in one PER unit, it will be followed by an increase in the value of the company by 0.088 one-unit. The significance of PER is 0.028 and the meaning of PER influences the value of the company. The PER variable regression coefficient is positive which indicates the relationship of PER which causes an increase in the value of the company. This is because PER is an indicator of future development or growth. PER is also one of the benchmarks for the success of a company so that the higher the PER, the higher the price of shares as well as the value of the company.

7. Conclusions and recommendations

7.1. Conclusions

Based on the results of data analysis and discussion, it is concluded that the variables of Corporate Social Responsibility, Debt to Equity Ratio and Price Earning Ratio affect the value of the company, while Economic Value Added (EVA) does not affect the value of the company

7.2. Recommendations

For investors and market participants, the company can use the value of the Debt to Equity Ratio to see how management is responsible for managing the company's debt to the creditor. The greater the value of DER will increase the dependence of the company. The amount of DER value can also reflect the company's ability to increase the trust of creditors to lend funds to companies.

The management of the company should always pay attention to the factors that are considered by investors or market players in investing in the stock market, especially in this study in terms of management of corporate debt as well as the rate of return on company capital.

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