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Non-Financial Factors as Determinants of Firm Value With Earning Management as a Moderating Variable on SRI Kehati Index in Indonesia Stock Exchange

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Abstract*: Nowadays, the implementation of non financial factors such as CSR Disclosure, Intellectual Capital, and Good Corporate Governance are seriously considered by many companies. The samples were the companies listed in the Stock Index of SRI-KEHATI in the period of 2012-2016. The dependent variable consisted of firm value. The independent variables consisted of CSR disclosure, Intellectual Capital and GCG. The moderating variable in this research was Earning Management. This research also used Firm Size and Profitability as the controlling variables. The data were analyzed by employing Moderating Regression Analysis. The result of the research demonstrated that: (1)The disclosure of Corporate Social Responsibility had positive and insignificant influence on the firm value; (2) Intellectual Capital had a positive and significant influence on the firm value; (3) Good Corporate Governance had a positive and significant influence on the firm value; (4) Earning Management was not able to moderate the correlation between the variable of CSR and firm value; (5) Earning Management was not able to moderate the correlation between the variable of intellectual capital and firm value; (6) Earning Management was not able to moderate the correlation between the variable of good GCG and firm value; (7) Firm Size as the controlling variable had a negative and significant influence on firm value; and (8) Profitability as the controlling variable had a positive and significant influence on firm value.*

Keywords: *Firm Value, Tobins Q, Disclosure of CSR, Good Corporate Governance, Firm Size, Profitability*

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I. Introduction

Sustainable growth is a goal and a challenge for companies in the current era of globalization. This is in line with the triple bottom line concept introduced by Elkingkton in 1997. The company is no longer faced with responsibility based on the single bottom line, that is, firm value reflected in its financial condition, but the company must pay attention to social and environmental aspects or commonly known as the triple bottom line. (Elkington, 1997). The synergy of these three elements (people, profit, and planet) is the key to sustainable development.

The presence of the SRI KEHATI Index was triggered by a growing trend, namely green investment. The Sustainable and Responsible Investment (SRI)-KEHATI stock index is one index that is an indicator of stock price movements on the Indonesia Stock Exchange (IDX), which uses the principles of sustainability, finance, and good governance, as well as concern for the environment as its benchmark. Company stock prices show a central assessment of all market participants and act as a barometer of company performance. The phenomenon of fluctuating stock prices has become an issue related to the ups and downs of the firm's value.

Table 1.1.
Share Prices SRI-KEHATI 2016-2016

Kode	Tahun				
	2012	2013	2014	2015	2016
AALI	19700	20693	23602	19454	16775
ADHI	1493	2246	2402	2088	2088
ASII	7600	6760	7183	6866	8275
BBCA	9.100	13354	11556	10196	15500
BBNI	3700	3950	6100	4490	5526
BBRI	6950	11133	10361	8075	11675
BDMN	5650	3869	4134	5166	3710
BMRI	8100	10004	9943	8862	11575
INDF	5850	6291	6937	6903	7925
JSMR	5450	5826	6130	5629	4320
LSIP	2300	1498	2058	1717	1740
PGAS	4600	4475	6000	2745	2700
SMGR	15850	11772	15495	14183	9175
TINS	1041	754	1268	964	1075
TLKM	1810	2851	2483	2203	3980
UNTR	19700	19222	20458	17762	21250

Source: www.idx.co.id

The increase in company value is generally marked by an increase in stock prices on the stock market. However, the phenomenon that occurs in the company's stock prices listed on the SRI-KEHATI index (Table 1.1) shows that stock price movements fluctuate in the period of 2012-2016.

In terms of evaluating a company's performance, a measure of financial performance has become a traditional mainstay in performance measurement. However, over the past two decades, much attention has been paid to the development and use of non-financial performance measures, which can be used to motivate and report on the performance of business organizations (Otley, 2002). In this study, these non-financial factors refer to Corporate Social Responsibility, Intellectual Capital, and Good Corporate Governance.

The CSR phenomenon observed is the company's CSR performance compared to the stock performance. Some companies received awards in the field of CSR but the performance of their shares actually showed a decline. For example, PT. Perusahaan Gas Negara won the 2013 Best Overall Sustainability Report at the Indonesian Sustainability Report Award (ISRA), but the stock performance declined in that year. On the other hand, the CSR performance is in line with the increase in the performance of its shares, as achieved by PT. Bank Negara Indonesia and PT United Tractors during 2012-2016 always received ISRA awards in their sectors and the company always showed good stock performance.

Some results of the study found that CSR disclosure positively and significantly affected the firm value. (Luthan *et al,* 2016 ; Jiao, 2010; Flammer, 2012). The results of the study (Retno and Priantinah, 2012; Jallo *et al*., 2017; Kurniasari and Wirastuti, 2015) found that CSR had a positive and not significant effect on firm value.

Intellectual capital is the use of intangible assets in creating added value for the company and competitive advantage. Along with the advancement of science and technology, the concept of knowledge based business and resources based business is quite applied to increase the effectiveness and efficiency of a company when compared to a labor based business.

Table 1.2
Human Capital Investment in Several Sample Companies

Kode	2012 (juta)	2013 (juta)	2014 (juta)	2015 (juta)	2016 (juta)
ASII	10402000	12541000	13849000	15079000	15282000
BBCA	6155000	6865000	8671000	9728000	10630000
BBNI	5577867	6083876	6781041	7365834	8833954
BBRI	9606000	12231994	14166422	16599158	18485014
JSMR	359930	599634	958226	1033400	1167000
TLKM	9786000	9733000	9787000	11874000	13612000

Source: Annual Report Sample Company

Table 1.2 shows the observed intellectual capital phenomenon. It can be seen that there is an increase in human capital investment each year in the above companies. The company began to realize that corporate performance was not only determined by financial capital, but also influenced by intangible capital.

The research of Sadalia and Irawati (2014) shows that the components of VAIC, namely VAHU, VACA and STVA variables influence the earnings growth indicators, namely ROA, ATO, BOPO and GR in each sector of the bank in Indonesia. Some previous studies have found research results where intellectual capital has a positive and significant effect on firm value (Sayyidah and Saifi, 2017; Riahi and Berkaouli, 2003; Chen *at al*, 2005). Another study found that intellectual capital towards firm value has a positive and insignificant relationship. (Iranmahd, 2014; Santoso, 2012).

Corporate governance is a system that regulates and controls a company that is expected to provide and increase company value to shareholders (Shleifer and Vishny in Amanti, 2012).

The phenomenon that occurs in most companies in Indonesia is not yet able to carry out professional management of the company. According to the survey results of the ACGA (Asian Corporate Governance Association) in 11 countries for foreign business people in Asia in 2016, Indonesia was the worst country in implementing corporate governance.

Some previous studies found the same results of research, namely the Good Corporate Governance variable has a positive and significant influence on firm value (Retno and Priantinah, 2012; Jallo *et al*., 2017). According to Debby *et al*. (2014) found results that GCG had a negative and not significant effect on firm value.

According to Assih and Gudono (2000) earnings management is a process that is carried out intentionally within the limits of General Adopted Accounting Principles (GAAP) which leads to the level of reported earnings.

The most fatal consequence which is the result of the practice of earnings management is the loss of trust and support from stakeholders. Stakeholders will give a negative response in the form of pressure from shareholders, sanctions from regulators, abandoned by colleagues, boycotts from activists, and negative reporting in the mass media (Prior *et al*., 2008). In Indonesia, the practice of earnings management has occurred not once or twice. Some companies that have indicated that they have made earnings management include PT Kimia Farma Persero, Tbk, PT Bumi Resourses, PT Indofarma Tbk, and PT Lippo Tbk.

Based on the background described above, where there are gap phenomena and research gaps related to Corporate Social Responsibility, Intellectual Capital, and Good Corporate Governance, to the value of the company with earnings management as a moderating variable, the researcher is interested in conducting this research. The control variables used in this study are company size and profitability.

II. Theoretical Review

2.1 Firm Value

According to Brigham and Houston (2013) the value of the company is the price that the prospective buyer is willing to pay if the company is sold. In managing the company's shareholders as principals can appoint professionals (managerial) or often also referred to as agents to achieve company goals.

Tobin's Q

One way that is used to measure company value is to use the Tobin's Q method. Tobin's Q is calculated by comparing the ratio of market value of company shares to the book value of company equity. The following formula Tobins Q was developed by Professor James Tobin (Weston and Copeland, 2010):

$$\boxed{\mathbf{Q} = \frac{(EMV + D)}{(EBV + D)}}$$

Remarks:
Q = Firm Value
EMV = Equity Market Value, which isobtained from the
results of the closing price of the closing price at the end of the year with the number of shares outstanding at the end of the year.

EBV = Book value of equity (Equity Book Value), which
is obtained from the difference in the total assets of the company with total liabilities.
D = Book value of total debt

2.2 Theory Corporate Social Responsibility
Legitimacy Theory

This theory shows that organizations always strive to ensure that they operate within the norms and boundaries set by their respective communities. In simpler terms, the idea behind legitimacy theory is that there is a 'social contract' that exists between the organization and the society in which the company operates (Suchman in Moir, 2001).

Stakeholder Theory

Stakeholder theory is related to broader corporate social responsibility ideas. The company has broader responsibilities, which include all company stakeholders and not limited to carrying out obligations to its shareholders. (Simpson and Taylor, 2013).

Corporate Social Responsibility

The Business for Social Responsibility defines corporate social responsibility as a way of achieving commercial success in a way that respects ethical values and respects people, society and the natural environment (White in Simpson and Taylor, 2013).

Corporate Social Disclosure Index (CSDI)

The standard for disclosure of CSR that is the most widely used as a reference is the standard applied by the Global Reporting Initiative (GRI). To measure the Corporate Social Disclosure Index (CSDI) refers to 91 GRI G4 disclosure items. In this study, CSDI variables were measured using the company's CSR disclosure indicators in the period of the study year. The CSDI calculation formula is as follows:

$$CSDIj = \frac{(\Sigma X_{ij})}{n}$$

(Haniffa and Cooke, 2005).

Where:
CSDIj = Corporate Social Disclosure Index company j
n = Number of CSR disclosure items for companies
Xij = dummy variable: 1 = if item i is disclosed;
0 = if item i is not disclosed.

2.3 Basic Intellectual Capital Theory
Resources Based Theory

Resource-Based theory views corporate resources as the main drive behind competitiveness and company performance. These resources include tangible assets as well as intangible assets that are used effectively and efficiently to implement competitive strategies and certain benefits. (Riahi and Belkaoui, 2003).

Knowledge Based Theory

Knowledge-Based Theory of identifying in knowledge, which is characterized by scarcity and difficult to transfer and replicate, is an important resource for achieving competitive advantage in the face of competition. The capacity and effectiveness of the company in producing, sharing, and conveying knowledge and information determines the value produced by the company as the basis of the company's long-term sustainable competitive advantage. (Ulum, 2009).

Intellectual Capital

Intellectual capital is all non-tangible or non-tangible assets and resources of an organization, which includes processes, innovation capacity, patterns, and invisible knowledge of its members and collaborative networks and organizational relations. Intellectual capital is also defined as a combination of intangible resources and activities that allow organizations to transform a bundle of material, financial and human resources in a system skill to create value for stakeholders. (Zurnali, 2010).

Value Added Intellectual Coefficient (VAIC^{TM})

The VAIC^{TM} method developed by Pulic (2000) is designed to present information about value creation efficiency from tangible assets and intangible assets owned by the company. This model starts with the company's ability to create value added. Value added (VA) is the efficiency of human capital (HC), structural capital (SC), and capital employed (CE). According to Public (1998), the three relationships between value added, human capital, structural capital, and capital employed are as follows**.**

$$\boxed{VAIC^{TM} = VACA + VAHU + STVA}$$

Source: Pulic (2000)

2.4 Basic Theory of Good Corporate Governance
Agency Theory

Agency relationship is a contract between a manager (agent) and shareholders (principal). Shareholders and managers have different goals and each wants their goals fulfilled. As a result what happens is the emergence of a conflict of interest. Shareholders want a bigger and faster return on the investment they invest, while managers want their interests to be fulfilled by providing as much compensation or incentives as possible for their performance in running the company. (Jensen and Meckling, 1976).

Good Corporate Governance

The Forum for Corporate Governance in Indonesia (FCGI) defines GCG as a system that directs and controls the company. The purpose of GCG is essentially creating value for all stakeholders with the company.

Measurement of Good Corporate Governance

This study uses GCG measurements using factor scores consisting of four dimensions. This measurement refers to Wahidahwati (2012) research. Each dimension has an indicator - as follows:

1. Board of Commissioners (45%), consisting of: (a) COM_SIZE (Number of board of commissioners); (b) COM_IND(Percentage of independent commissioners); (c)% COMOWN (percentage of share ownership of the board of commissioners); (d) AUD (bigfour or nonbigfour KAP information).
2. Audit Committee (20%), consisting of: (a) AUD_SIZE (Number of audit committees); (b) AUD_IND (percentage of independent audit committees); (c) FINEXPERT (audit committee expertise).
3. Management (20%), consisting of: (a) DIR_SIZE (number of board of directors); (b) M_OWN (percentage of shares held by directors); (c) FAMILY (the presence or absence of family relations).
4. Investors (15%), measured by:% INST_OWN (percentage of ownership of other institutions). From these indicators, GCG can be formulated as follows:

GCG Score = = $\frac{\text{(Total score obtained X)}}{\text{Total expected score}}$ x 100 %

Source: Wahidahwati (2012)

2.5 Earnings Management

Earnings management is the choice made by management in determining accounting policies to achieve certain goals. (Scott, 2009).

Diskresioner Akrual

In general, research on earnings management uses accrual-based measures in detecting earnings management. One of the advantages, namely the accrual-based approach has the potential to be able to reveal ways to reduce / increase profits (Gumanti, 2000). According to Perry and William (1994) there are two types of accrual accounting policies, namely discretionary accruals and non discretionary accruals. Discretionary accruals are accrual components that are in management policy, meaning managers provide intervention in the financial reporting process. Whereas non discretionary accruals are an accrual component outside of management policy, so managers are not entitled to provide intervention in the financial reporting process. (Sudjito, 2006).

The use of discretionary accruals as proxy for earnings management is calculated using the Modified Jones Model (Dechow et.al, 1995), namely as follows:

$$TAit = Nit - CFOi \quad \text{......(1)}$$

The Total Accrual (TA) value estimated by the OLS regression equation is as follows:

$$TAit/Ait\text{-}1 = \beta1(1/Ait\text{-}1) + \beta2(\Delta Revt/ Ait\text{-}1) + \beta3(PPEt/Ait\text{-}1) + e \quad \text{...... (2)}$$

By using the regression coefficient above the value of non discretionary accruals (NDA) is calculated by the formula:

$$NDAit = \beta1(1/Ait\text{-}1)+\beta2(\Delta Revt/Ait\text{-}1\text{-}\Delta Rect/Ait\text{-}1) +\beta3(PPEt/Ait\text{-}1) \quad \text{......(3)}$$

Furthermore discretionary accrual (DA) can be calculated:

$$DAit = TAit/Ait\text{-}1 - NDAit \quad \text{......(4)}$$

Remarks:
DAit : Discretionary Accrual of company i in period t
NDAit : Non-Discretionary Accrual company i in period t

TAit : Total company Accrual i in period t
NIt : Net income of company i in period t
CFOit : Cash flow from company operating activities i in period t
Ait-1 : Total assets of company i in period t-1
ΔRevt : Change in company income i in period t
PPEt : Company fixed assets in period t
ΔRect : Change in company receivables i in period t
E : error

Earnings management in the company's financial statements can be detected from the value of discretionary accruals (DAit). If DAit> 0, then the company carries out earnings management. (Sudjito, 2006).

2.6 Firm Size

Basically there are groupings of company sizes into several groups, including large, medium and small companies. Company scale is a measure used to reflect the size of the company based on the company's total assets. (Suwito and Herawaty, 2005).
Firm Size = ln(Total Aset)

2.7 Profitability

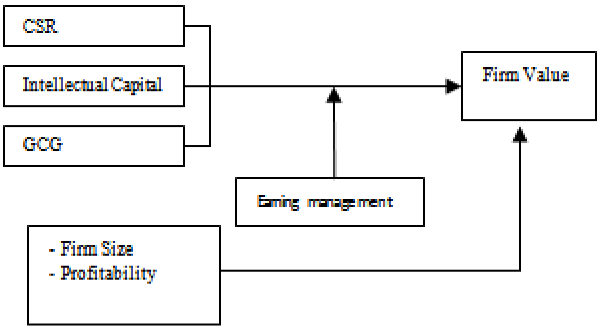
Profitability ratio is J. Fred Weston and Thomas E. Copeland (2010) is measuring the effectiveness of management based on the results of returns generated from sales and investment. In this study Net Profit Margin represents the profitability ratio and is formulated as follows:

$$\text{Net Profit Margin} = \frac{\text{net profit after tax}}{\text{net sales}}$$

Source: Weston dan Copeland, (2010)

Conseptual Framework

Here is the research model of this study:



III. Materials and Method

Based on the level of explanation this research is associative research. Thus this study focuses on the effect of Corporate Social Responsibility, Intellectual Capital and Good Corporate Governance as a moderating variable in earnings management. This study also includes the profitability and corporate values as a controlling variable.

The population used in this study are all companies included in the SRI-Kehati Index for the period 2012-2016 which are listed on the Indonesia Stock Exchange. The target sampling used is the method of determining the target sample. Based on several specified criteria, the number of companies that can fulfill the requirements as samples in this study are 16 companies. The number of observation years used in this study is 5 consecutive years (2012-2016) so that the number of observations in this study is 5 years of observation multiplied by 16 samples as many as 80 observation data.

Moderating Regression Analysis

The MRA interaction test is the application of multiple linear regression where the equation contains elements of interaction, namely the multiplication of two or more independent variables. (Ghozali, 2013). The following is the regression equation used in this study:

$$\mathbf{Yit = \beta 0 + \beta 1X1_{it} + \beta 2X2_{it} + \beta 3X3_{it} + \beta 4X1_{it}{*}Z + B5X2_{it}{*}Z + \beta 6X3_{it}{*}Z + \beta 7X4_{it} + \beta 8X5_{it} + \epsilon_{it}}$$

Where:
Y1 = Firm Value
A = Constants
β1 – β8 = Koefisien Regresi
X1 = Corporate Social Responsibility (CSR)
X2 = Intellectual Capital (IC)
X3 = Good Corporate Governance (GCG)
Z = Earning Mangement (DA)
X4 = Firm Size
X5 = Profitability
∈ = Error Term

IV. Research Results and Discussion

Statistik Deskriptif

Table 4.1
Descriptive statistics

	Mean	Max	Min	Std. Dev.
Firm Value	1.602	3.850	0.820	0.603
Corporate Social Responsibility	0.529	1.000	0.153	0.237
Intellectual Capital	5.077	12.76	1.710	2.771
Good Corporate Governance	0.517	0.630	0.390	0.050
Earning Management	0.002	0.306	-0.139	0.072
Firm Size	32.046	34.57	29.44	1.535
Profitability	18.633	41.59	1.480	11.03

Source: Data Results, 2018

Determination of the Estimation Model

In estimating model parameters with panel data, several techniques can be used, namely: Common Effect Model or Pooled Least Square (PLS), Fixed Effect Method, and Random Effect Model**.**

Chow Test

This test is a step to determine the Estimation Model between Common Effect Model (CEM) and Fixed Effect Model (FEM).

Table 4.2
Chow Test Results

Effect Test	Prob
Cross- section F	0,0000
Cross-section F Chi Square	0,0000

Source: Data Results, 2018

Based on the results of the Chow test in Table 5.5, it is known that the probability value is 0.0000. Because the probability value is 0.0000 <0.05, the estimation model used is the Fixed Effect Model (FEM) model.

Hausman Test

This test is a step to determine the Estimation Model between Fixed Effect Model (FEM) and Random Effect Model (REM).

Table 4.3
Hausman Test Results

Test Summary	Prob
Cross- section random	0.0719

Source: Data Results, 2018

Based on the results of the Hausman test it is known that the probability value is 0.1588. Because the probability value is 0.0719> 0.05, the estimation model used is the Random Effect Model (REM) model.
If based on the selection of the appropriate estimation method for the regression equation is the Random Effect Model, then it is not necessary to do the classic assumption test. Conversely, if the regression equation uses

Common Effect Model or Fixed Effect Model (OLS), it is necessary to test the classical assumptions (Gujarati and Porter, 2012).

Hypothesis Testing (Test Statistics t)

Partial test is used to find out how far the influence of the independent variables partially in explaining the dependent variable.

Table 4.4
Test Statistics t

Dependent Variable: FIRM VALUE
Method: Panel EGLS (Cross-section random effects)
Date: 08/07/18 Time: 11:46
Sample: 2012 2016
Periods included: 5
Cross-sections included: 16
Total panel (balanced) observations: 80
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CSR	0.215639	0.158818	1.357779	0.1788
IC	0.131397	0.026996	4.867320	0.0000
GCG	3.276770	1.141549	2.870459	0.0054
CSR_DA	1.743280	2.036851	0.855870	0.3949
IC_DA	-0.055055	0.119285	-0.461539	0.6458
GCG_DA	-3.365513	2.753180	-1.222410	0.2256
Firm Size	-0.337099	0.061780	-5.456420	0.0000
Profitability	0.028213	0.006036	4.673911	0.0000
C	9.399117	1.830087	5.135887	0.0000

Source: Data Results, 2018

V. Discussion

1. The influence of Corporate Social Responsibility Disclosures on the Firm Value

The results of the study based on Table 4.8 show that the CSR variable has a regression coefficient value of 0.21 with a significance value of 0.1788> α (0.05) so that 1. The disclosure of Corporate Social Responsibility had positive and insignificant influence on the firm value.

The insignificant effect of disclosure of CSR on firm value can be caused by several factors, such as a lack of public response to CSR disclosure because the public considers CSR reporting to be a regulatory matter and the company does not communicate CSR properly enough so that it has not been captured as something which needs to be considered by interested parties.

On the other hand, the role of government and other relevant authorities is needed, regarding policies so that the CSR performance of each company can be known to the public and responded to by the public as useful information, because as CSR is a component of the concept of sustainable growth it must be built by every company. Apart from regulatory activities, the government can also do a lot of non-regulating activities related to CSR such as policy coordination on CSR between departments, increasing the profile of CSR so that more companies are interested, finance research on CSR, and provide tax incentives for companies that have good CSR performance, besides giving disincentives for those who perform poorly. Finally, the government can demonstrate CSR best practices, as a means for companies to learn how the best performance can be achieved. (https://news.detik.com/opini/d-1269195/2010-csr-dan-sri-kehati-antara-majority-dan-voluntary).

The results of this study are consistent with the results of the research (Retno and Priantinah, 2012; Jallo *et al*., 2017; Kurniasari and Wirastuti, 2015) who found that CSR disclosure had a positive and insignificant effect on the value of the company.

This result is different from the results of several studies which found that disclosure of corporate social responsibility positively and significantly affected the value of the company. (Luthan *et al*, 2016; Susanti *et al*., 2012;; Jiao, 2010; Flammer, 2012).

2. The influence of Intellectual Capital Disclosures on the Firm Value

The results of the study based on Table 4.8 show that the intellectual capital variable (VAIC) has a regression coefficient value of 0.13 with a significance value of 0,000 <α (0.05) so that 2. Intellectual Capital had a positive and significant influence on the firm value in the company SRI Kehati Index on the IDX in the period of 2012-2016.

In theory, the results of this study are in line with the theory of Resources Based Theory and Knowledge Based Theory. Resources Based Theory discusses the resources that the company has and how the company can process and utilize the resources it has. Knowledge-based theory discusses how companies regard knowledge as the most strategic resource of a company.

In the sample companies the ability of companies to process and utilize resources is seen in line with the increase in company value. Companies increasingly realize that organizational resources are a very valuable asset. And the ability to manage intellectual capital that is owned can be a high power and difficult to imitate the company.

The results of intellectual capital performance shown by companies listed on the SRI Kehati Index show good intellectual capital performance, and this is in line with a significant increase in corporate value. This result should be an example, or a good reference for the application of intellectual capital in other companies in Indonesia.

Several previous studies found appropriate research results where Intellectual Capital has a positive and significant effect on firm value. (Sayyidah and Saifi, 2017; Chen *et al*, 2005; Riahi and Berkaouli, 2003) that shows the positive and significant influence of intellectual capital on Tobin's Q.

3. **The influence of Good Corporate Governance on the Firm Value**

The results of the study based on Table 4.8 show that the variable Good Corporate Governance (GCG) has a regression coefficient value of 3.27 with a significance value of 0.0054 $<\alpha$ (0.05) so that Good Corporate Governance had a positive and significant influence on the firm value;

The results of the research obtained are in line with agency theory. Based on agency theory, the application of GCG is believed to increase the value of the company. Through agency theory it is said that good corporate governance or what is known as Good Corporate Governance can minimize agency conflicts that occur among stakeholders.

The results of this study indicate that investors react positively to companies that provide transparency on the implementation of GCG in their annual reports. The better the implementation of GCG, the higher the value of the company as indicated by the high price of the company's shares. This is also due to the company's high awareness to implement GCG as a necessity, not just to fulfill compliance with existing regulations.

In sample companies, GCG is implemented well. It can be seen from all companies that have implemented GCG. The Good Corporate Governance performance at the SRI Kehati index is evident from the assessment of the Financial Services Authority (OJK) with the Indonesian Institute for Corporate Directorship (IICD) at the end of 2015 announcing awards to companies with the best implementation of Good Corporate Governance (GCG). Many of the companies that received the award were companies that always entered the SRI Kehati Index, such as: PT. Astra Internasiaonal, PT. Bank Central Asia, PT. Bank Mandiri, PT. Bank Rakyat Indonesia, PT. Bank Danamon, PT. Bank Negara Indonesia, PT. Jasa Marga, PT. Perusahaan Gas Negara, and PT. Telkom Indonesia.

In Indonesia, based on the results of the ACGA (Asian Corporate Governance Association) survey of 11 countries, business people in Asia in 2016 put Indonesia as the worst country in the field of corporate governance. This shows that the GCG performance for the entire company in Indonesia is still very low. While the performance results shown by companies listed on the SRI Kehati Index have shown good GCG performance, and this is in line with a significant increase in company value. This result should be an example, or a good reference for the implementation of GCG in other companies in Indonesia.

The results obtained in accordance with several previous studies found the same results of research, namely the Good Corporate Governance variable has a significant positive effect on firm value. (Ilmi, 2017; Retno and Priantinah, 2012; Jallo *et al*, 2017; Suhartati *et al*., 2011).

The results of this study are inversely proportional to the study conducted by Prasekti (2015) which states that GCG does not affect the value of the company. Whereas Prasekti research (2015) uses the same measurement of GCG as researchers, namely using GCG factor scores based on Wahidahwati (2012) research. But it is not in accordance with the research conducted by Ratih (2011) which states that GCG has a positive and insignificant effect on firm value.

4. The influence of Corporate Social Responsibility Disclosure on the Firm Value with Moderating Earning Management

The test results of CSR variables show a significance level of 0.130> 0.05, which means that earnings management does not significantly moderate the effect of CSR on firm value. The regression coefficient of 1.74 shows earnings management strengthens the effect of CSR disclosure on firm value. However, earnings management is not able to significantly strengthen the effect of CSR on the value of the company.

Earnings management is not significant in weakening the effect of CSR disclosure on firm value because based on discretionary accrual calculations obtained in sample companies, the average shows accrual discretionary values that tend to be small at around -1 <0 <1. So that can be said to the company -the company on the SRI Kehati Index has not yet led to the practice of earnings management, or in other words based on accrual discretionary values obtained in the sample companies there is no indication of meaningful earnings management practices.

According to Wijaya and Sherly (2017) earnings management does not significantly moderate CSR on company performance because CSR disclosure is mandatory disclosure so companies are required to disclose CSR so that earnings management is not an entrenchment strategy for improving company performance.

The results of this study are supported by the research of Dianita and Rahmawati (2011) arguing that the practice of earnings management does not significantly moderate the disclosure of CSR towards firm value. These results indicate that the level of earnings management is high, which leads to an enhanced CSR program, but the influence given is not significant in strengthening that influence. The results of the research obtained are also in line with the results of research by Jayastini and Wirajaya (2016); Wijaya and Sherly (2017) where the results of the moderating variable analysis indicate that earnings management does not significantly moderate the effect on CSR disclosure on firm value.

This research is different from that conducted by Kusuma and Syafruddin (2014) which states that earnings management can moderate the relationship between CSR and the company's financial performance and shows a significant negative effect.

5. The influence of Intellectual Capital on the Firm Value with Moderating Earning Management

The test results of the Intellectual Capital variable show a significance level of 0.130 > 0.05, which means that earnings management does not significantly moderate the influence of Intellectual Capital on firm value.

Regression coefficient value of -0.05 indicates earnings management weakens the influence of intellectual capital on firm value. Where the amount of influence given is not significant.

Earnings management is not significant in weakening the influence of intellectual capital on firm value because based on discretionary accrual calculations obtained in sample companies, the average shows accrual discretionary values that tend to be small at around -1 <0 <1. So that can be said to the company -the company on the SRI Kehati Index has not yet led to the practice of earnings management, or in other words based on accrual discretionary values obtained in the sample companies there is no indication of meaningful earnings management practices. So that it can be said that the practice of earnings management is not entirely a negative influence. The results of this study can be management's attention to management's attention, so that it would still avoid deviant management actions that lead to the practice of earnings management.

6. The influence of Good Corporate Governance on the Firm Value with Moderating Earning Management

The test results of GCG variables show a significance level of 0.130> 0.05, which means that earnings management does not significantly moderate the effect of GCG on firm value. The coefficient of –3.33 shows that earnings management weakens the effect of GCG on company value.

So that the role of earnings management in this case can indeed be said to be disturbing because it creates a negative influence direction between GCG and company value. However, the influence of earnings management in this moderating relationship is not a worrying thing because there are only insignificant effects in the memederasi.

Earnings management is not significant in weakening the effect of GCG on firm value because based on discretionary accrual calculations obtained in sample companies, the average shows a small incremental discretionary value. So that it can be said for companies in the SRI Index Obviously there is no practice of earnings management, or in other words based on accrual discretionary values obtained in sample companies there is no indication of meaningful earnings management practices. So that the practice of earnings management is not entirely a negative influence.

This result is different from the Silitonga (2012) study which examined the effect of the GCG mechanism on firm value with earnings management as a moderating variable. The results obtained indicate that earnings management negatively and significantly weakens the influence of the GCG mechanism on firm value.

7. The Influence of Firm Size on the Firm Value

The results of the study based on Table 4.8 show a regression coefficient of -0.33 with a significance value of 0,000 <α (0.05) so that Firm Size as the controlling variable had a negative and significant influence on firm value.

This research is in line with Rusiah *et al* (2017) which states that firm size has a negative and significant effect. Utomo (2016) and Rasyid et al's research also stated that firm size had a negative and insignificant effect. Companies with large sizes need higher management. and if the size of the company falls into a very large category, the company will have difficulty managing it. In other words, the management is increasingly ineffective. Rasyid *et al* (2016) stated that when the size of the company is getting bigger, the range of control will also be greater. Which results in agency problems also getting bigger. Where there are differences in interests, besides harming the company, this will also increase the costs of transaction costs and agency costs.

This is not in line with the research (Dewi and Wirajaya, 2013; Novari and Lestari, 2016) which state that the size of the company has a positive and significant effect, where the greater the size of the company, the easier it is for the company to obtain funding sources both internally and externally. tend to have more sources of funds to support their operational activities. Large companies tend to have more stable conditions and this condition is the cause of the increase in the company's stock prices in the capital market. This research is also different from Wahyudi (2016) where firm size variables have a positive and not significant effect on firm value.

8. The influence of Profitability on Firm Value

The results of the study based on Table 4.8 show that the profitability variable (NPM) has a regression coefficient value of 0.02 with a significance value of 0,000 $<\alpha$ (0.05) so that profitability as the controlling variable had a positive and significant influence on firm value.

Profitability is the company's ability to generate profits (Hanifi, 2014). If the company gets a high level of profit it will attract investors in investing in the company, this kind of thing is also a positive signal received by investors that companies that get a high level of profit means that the company has good prospects in the future will come which will affect the rate of return on the investment.

This is in line with the research conducted by Dewi and Wirajaya (2013), and Mahendra Dj *et al.* (2012), Wahyudi et al , 2016 which said profitability had a positive and significant effect on firm value.

VI. Conclusion

1. The disclosure of Corporate Social Responsibility had positive and insignificant influence on the firm value.
2. Intellectual Capital had a positive and significant influence on the firm value.
3. Good Corporate Governance had a positive and significant influence on the firm value.
4. Earning Management was not able to moderate the correlation between the variable of CSR and firm value.
5. Earning Management was not able to moderate the correlation between the variable of intellectual capital and firm value.
6. Earning Management was not able to moderate the correlation between the variable of good GCG and firm value.
7. Firm Size as the controlling variable had a negative and significant influence on firm value.
8. Profitability as the controlling variable had a positive and significant influence on firm value.

Recommendation

1. For companies, it is very good to always pay attention not only to financial factors, but non-financial factors such as GCG, Intellectual Capital, and CSR.
2. In terms of CSR disclosures related to insignificant influence on the value of the company, the company should communicate CSR properly rather than merely reporting, so that CSR information is captured as an important factor for the growth of the company's sustainability. Besides that there is a need for the participation of the government and other authorities, regarding policies so that the CSR performance of each company can be better known by the public. The government can also carry out many non-regulatory activities related to CSR such as policy coordination on CSR, increasing the profile of CSR so that more companies are interested, finance research on CSR, and provide tax incentives for companies that have good CSR performance, in addition to sanctioning who are performing poorly.
3. Companies should be more concerned in paying attention to and increasing the management of intellectual capital and the application of GCG in the company because it will have a significant impact on increasing company value. in Indonesia, because in all companies in Indonesia the application of GCG is still in the low category.

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