



The Influence Of Good Corporate Governance And Corporate Social Responsibility On Company Value With Financial Performance As An Intervening Variable In Companies Listed On The Idx Esg Leaders Index For 2021-2023

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ABSTRACT

This research aims to determine the influence of Good Corporate Governance and Corporate Social Responsibility on company value with financial performance as an intervening variable in companies listed on the IDX ESG Leaders Index for 2021-2023. This research uses a quantitative approach. The sample in this study was 46 companies listed on the IDX ESG Leaders Index for 2021-2023. The research results show that Good Corporate Governance and Corporate Social Responsibility have no effect on company value. Financial performance as an intervening variable is only able to mediate the influence of the Board of Directors, Independent Commissioners, and Corporate Social Responsibility on company value. However, financial performance is unable to mediate the influence of the Audit Committee on company value.

Keywords: *good corporate governance, the board of directors, independent commissioners, the audit committee, corporate social responsibility, financial performance, company value*

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh Good Corporate Governance dan Corporate Social Responsibility terhadap nilai perusahaan dengan kinerja keuangan sebagai variabel intervening pada perusahaan terdaftar Indeks IDX ESG Leaders tahun 2021-2023. Penelitian ini menggunakan pendekatan kuantitatif. Sampel pada penelitian ini berjumlah 46 perusahaan yang terdaftar Indeks IDX ESG Leaders tahun 2021-2023. Hasil penelitian menunjukkan bahwa Good Corporate Governance dan Corporate Social Responsibility tidak berpengaruh terhadap nilai perusahaan. Kinerja keuangan sebagai variabel intervening hanya mampu memediasi pengaruh Dewan Direksi, Dewan Komisaris Independen, dan Corporate Social Responsibility terhadap nilai perusahaan. Tetapi, kinerja keuangan tidak mampu memediasi pengaruh Komite Audit terhadap nilai perusahaan.

Kata kunci: *good corporate governance, komite audit, corporate social responsibility, kinerja keuangan, nilai perusahaan*

1. INTRODUCTION

The Indonesia Stock Exchange (2020) officially launched a new index called IDX ESG Leaders on December 14 2020. IDX ESG Leaders is an index that reflects the performance of stock prices that have a high ESG (Environmental, Social, and

Governance) assessment, are not involved in significant controversy, and show superior transaction liquidity and financial performance. In terms of providing ESG data on this index, IDX collaborates with an international institution called sustainalytics. Sustainalytics is an independent institution engaged in research related to ESG and Corporate Governance. The ESG data provided includes ESG risk assessments as well as controversy examination results, as benchmarks in determining indexed constituents. According to Kartika et al., (2023), investor awareness of ESG-based investments has continued to increase in recent years. The IDX ESG Leaders Index helps investors select stocks based on the criteria of companies that apply ESG principles in business and investment practices.

Companies that adopt ESG principles in their operations and investments will integrate and implement overall company policies, thereby supporting environmental, social and governance sustainability (Noviarianti, 2020). Putra & Asfiah (2024) state that environmental aspects refer to company operational activities that can affect the conditions of the surrounding environment; social aspects relate to the way companies interact with individuals, including employees, communities and wider society; while the governance aspect reviews the management, regulation and supervision of the company. These aspects are closely related to non-financial potential that can be used by companies and investors to evaluate the performance and impact of their investments and business. An effective company must be able to manage its financial and non-financial potential to increase company value in order to maintain its long-term sustainability (Erlangga et al., 2021). Company value reflects investors' views regarding the level of success of the company, generally related to its market or share value. The high market or share value will be directly proportional to the high income that investors will obtain (Afzal & Rohman, 2012). In line with the statement of Rosmawati & Rachman (2023), that company value is the perspective of investors or the public to invest capital in the company, a high company value means that the prosperity of its investors is guaranteed.

Several factors can influence company value, and one of them is the implementation of Good Corporate Governance (GCG). According to Jensen & Meckling (1976), the boundary between ownership and control of a company can cause problem in a company. Agency problems arise because of the separation of the interests of owners and

management, thereby triggering management actions that are not in accordance with the interests of the principal (Rahardjo & Wuryani, 2021). Sholihah & Wahyudin (2017) stated that the implementation of GCG can optimize the company's efforts to overcome problems that occur between agents and principals, because agency problems can be minimized by implementing GCG for the supervisory function of the agent's work results. Chen et al., (2008) states that through the implementation of GCG, freedom will be obtained for all interested parties in making effective decisions so that they can increase company value. According to Amanti (2012), by implementing GCG effectively, companies are considered capable of performing well so as to maximize company value, in turn providing profits for investors. The implementation of GCG is divided into two types of mechanisms, namely internal and external. Internal mechanisms are ways that can influence the company, by involving internal parties of the company, including the composition of the Board of Directors, the Board of Commissioners, especially Independent Commissioner, and the Audit Committee. Meanwhile, external mechanisms refer to ways that can influence the company, not just relying on internal mechanisms, namely market control.

There are other factors that influence company value besides GCG, namely Corporate Social Responsibility (CSR). CSR is one of the company's responsibilities in the social aspect, namely to the surrounding environment and wider society. The implementation of CSR is expected to encourage companies to optimize their operations in a more positive direction, thereby reducing the potential for negative impacts on the surrounding environment and ensuring the level of sustainability for the company in the future (Purbopangestu & Subowo, 2014). CSR is a mechanism that allows companies to incorporate their attention to social and environmental aspects into their operational activities, and this is related to the way the company interacts with stakeholders (Parengkuan, 2017). Rahmah (2017) believes that good CSR disclosure can strengthen the company's relationship with stakeholders, which will further improve investors' perceptions of the company. This positive perception has the potential to increase investor interest in company shares, as a result it will optimize share prices, and can reflect an increase in company value. So, for this reason, CSR is considered to be able to increase company value.

The implementation of GCG and CSR plays a role in improving company performance and value. Optimal implementation of these two things can improve financial and market performance, thereby contributing to increasing company value. However, the relationship between GCG, CSR and company value can also be strengthened by other factors, namely financial performance. Financial performance reflects the company's financial condition, obtained through calculations using analytical tools in the form of financial ratios, providing information about the company's achievements in a certain period. According to Husnan & Pamudji (2013), most investors will have a high interest in companies that present financial performance information in annual reports.

2. LITERATURE REVIEW

Agency Theory

Jensen & Meckling (1976) explain that agency relationship is an agreement between the owner (principal) who employs another person (agent) to provide services on behalf of the owner. This relationship occurs when an individual or group acting as a principal hires an agent to carry out certain tasks and provides authority to make decisions on behalf of the principal. Agency costs arise when the principal needs to supervise and ensure the agent carries out his duties well. These costs arise due to differences in interests between the principal and the agent, which means that the principal cannot fully rely on the agent to always act in accordance with the best interests. Then, the agent tends to have more information than the principal, hereinafter called information asymmetry, which will greatly benefit the agent at the expense of the principal (Handayani, 2013). Due to these conditions, agency problems arise. Implementing GCG can reduce agency costs and prevent agency problems. Through the implementation of GCG, more effective supervision can be implemented, reducing the agent's tendency to act opportunistically.

Stakeholder Theory

Stakeholder theory introduced by Freeman (1984) in the book "Strategic Management: A Stakeholder Approach" states that corporate responsibility includes not only shareholders, but also all parties with an interest in the company's operations, known as stakeholders. The main concept of this theory is that the long-term success of a company depends on the way the company manages relationships with the various stakeholders

involved. This theory suggests that a company's operations are not based solely on its own interests, but are also required to be able to provide benefits to stakeholders. Stakeholders in this case include shareholders, creditors, employees, suppliers, consumers, government, society and other parties who have related interests (Karina & Yuyetta, 2013). Then, CSR is also considered a successful means of communication for companies to stakeholders (Nur & Priantina, 2012). CSR is about the way a company expresses its fulfillment of responsibilities to stakeholders.

Signaling Theory

Signal theory states that information in any form related to the company for stakeholders is a signal from the company (Safitri & Handayani, 2020). Signaling theory put forward by Spence (1973) explains that management acts as a signal sender, while investors function as signal receivers. Through these signals, management attempts to provide information that investors will use and respond to, in this case relating to investment decisions which refer to investors' understanding of the information that has been provided (Muasiri & Sulistyowati, 2021). One example of this information is the annual report published by the company. Annual reports reflect the condition of the company and can influence the interest of potential investors in determining investment decisions in a company (Hidayati & Retnani, 2020).

3. RESEARCH HYPOTHESIS

1. The Influence of the Board of Directors on Company Value

The Board of Directors is responsible for allocating resources, improving company performance, and optimizing shareholder wealth (Khaoula & Moez, 2019). The composition of the Board of Directors describes the role of each member in managing the company's resources. So, this means that the greater the number of members of the Board of Directors, the possibility of success of the strategy implemented to achieve company goals will increase, including in efforts to increase company value. Likewise, agency theory also states that the Board of Directors has an important role for the company in ensuring that management and other parties under its auspices have served based on the company's goals, not just their own interests. Then, the existence of the Board of Directors is also able to overcome agency problems that may occur within the company (Yuliyanti

& Cahyonowati, 2023). The results of research carried out by (Onasis & Robin, 2016) are that the composition of the Board of Directors has a good influence on company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₁: The Board of Directors has an effect on company value

2. The Influence of Independent Commissioner on Company Value

The duties of Independent Commissioner include carrying out work independently and professionally so that decisions taken are objective without being influenced by the interests of certain parties. Independent Commissioner is considered to be able to provide important assessments, because it relates to their objectivity in carrying out their duties based on company goals. This assessment is carried out on the basis of a supervisory function, triggering company performance in a better direction, so that it is directly proportional to the increase in company value (Saputri & Isbanah, 2021). Apart from that, according to agency theory, Independent Commissioner can overcome agency problems that may occur because they do not have relationships with other parties in a company. Research conducted by Putra (2015) proves the influence of Independent Commissioner on company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₂: Independent Commissioner has an effect on company value

3. The Influence of the Audit Committee on Company Value

The Audit Committee has responsibility as a supervisor by ensuring the accuracy of financial reports, the continuity of the external audit function, and assessing the effectiveness of the company's internal control system (Muid, 2009). According to Isti'adah (2015), the Audit Committee is able to influence the value of the company, which is related to the role of the Audit Committee in holding meetings to discuss major issues on a regular basis. This has an impact on the confidence of investors and potential investors to invest their capital in the company. According to Wijaya (2022), the audit committee is closely related to agency theory through its role in supervising and providing input in the decision-making process, so that the potential for fraud in management work results can be minimized. This is also in line with research by Amaliyah & Herwiyanti

(2019) which also indicates that the Audit Committee has a good influence on company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₃: The Audit Committee has an effect on company value

4. The Influence of Corporate Social Responsibility on Company Value

Stakeholder theory explains that companies have a responsibility to contribute to improving community welfare through the benefits provided to the surrounding environment (Astutik, 2021). CSR covers various aspects, including environmental and social aspects, related to company operational activities which also have an impact on the environment and society. Hariati & Rihatiningtyas (2015) stated that a higher level of CSR implementation by a company is directly proportional to an increase in the company's positive image, which can be viewed by investors as a supporting factor in their investment decisions. Research by Saputri & Isbanah (2021) proves that CSR has a positive impact on company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₄: Corporate Social Responsibility has an effect on company value

5. The Influence of the Board of Directors on Company Value through Financial Performance

The Board of Directors in a company influences the effectiveness of the decision-making process, which has an impact on the company's financial performance. If a company has good control, it can make its financial performance more optimal, which will then have a positive effect on market conditions, in this case an increase in share prices and also the value of the company. Research by Nurhidayanti et al., (2023) reveals that financial performance acts as an intervening variable in the relationship between the Board of Directors and company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₅: The Board of Directors has an effect on company value through financial performance

6. The Influence of Independent Commissioner on Company Value through Financial Performance

Independent Commissioner has an important role in carrying out supervision and evaluation of the Board of Directors, related to company management. The characteristic of independence possessed by Independent Commissioner can make management work more optimally so that the company's financial performance improves (Astutik, 2021). This then causes an increase in share prices which also means an increase in company value. Apart from that, Independent Commissioner must also ensure that the implementation of GCG principles in a company is carried out in accordance with applicable regulations. This is related to agency problems that may occur, by involving agents and principals, making the Independent Commissioner play a role in providing advice and solutions to reduce the potential for conflict, so as to encourage more optimal company performance. Research by Rahman & Asyik (2021) reveals that financial performance is able to mediate the relationship between Independent Commissioner and company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₆: Independent Commissioner has an effect on company value through financial performance

7. The Influence of the Audit Committee on Company Value through Financial Performance

The Audit Committee with high audit quality will be able to improve the company's financial performance in a better direction. What is meant is ensuring accurate financial reporting so that it can encourage company management to be more effective. Good financial performance can ultimately increase positive perceptions from investors and potential investors, which leads to an increase in company value. Research by Fitriasih et al., (2024) reveals that financial performance is able to mediate the relationship between the Audit Committee and company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₇: The Audit Committee has an effect on company value through financial performance

8. The Influence of Corporate Social Responsibility on Company Value through Financial Performance

CSR disclosure has a number of benefits for companies, including improving the company's image and attracting investors to invest in the company. With effective CSR disclosure, investors will be more interested in investing in the company, which will ultimately contribute to increasing financial performance and company value. In line with research conducted by Saputri & Isbanah (2021), company financial performance has been proven to mediate the relationship between CSR and company value. So, on the basis of the explanation that has been presented, a hypothesis is formulated, namely:

H₃: Corporate Social Responsibility has an effect on company value through financial performance

4. RESEARCH METHODS

This research utilizes secondary data in the form of annual reports and sustainability reports from companies included in the IDX ESG Leaders index during the 2021-2023 period. The data source comes from the official IDX website (www.idx.co.id) or the official website of each company. Data collection was carried out using total sampling techniques, all members of the population were determined as the research sample. Of the total 48 companies, it was found that 2 companies did not have shares that were traded, so there were 46 companies that met the requirements for a research period of 3 years. Therefore, the number of samples analyzed in this research was 138 units. The research conducted will examine the influence of GCG and CSR on company value, with financial performance as an intervening variable in companies listed on the IDX ESG Leaders index for 2021-2023.

5. RESEARCH VARIABLES

Table 1. Research Variables

Variable	Measurement
Independent Variable	
Board of Directors (X₁)	Composition of the Board of Directors

Independent Commissioner (X₂)	$\frac{\text{Independent Commissioner}}{\text{Composition of the Board of Commissioners}} \times 100\%$
Audit Committee (X₃)	Composition of the Audit Committee
Corporate Social Responsibility (X₄)	$\text{CSRDI} = \frac{\sum Xy_i}{n_i}$ <p style="text-align: center;"> CSRDI = CSR Disclosure Index $\sum Xy_i$ = Number of Items Disclosed n_i = Total Number of CSR Disclosure </p>
Company Value (Y)	<p style="text-align: center;">Dependent Variable</p> $Q = \frac{(\text{MVE} + \text{DEBT})}{\text{TA}}$ <p style="text-align: center;">Q = Company Value</p> <p style="text-align: center;">MVE = Closing Price × Outstanding Shares</p> <p style="text-align: center;">DEBT = Total Liabilities</p> <p style="text-align: center;">TA = Total Assets</p>
Financial Performance (Z)	<p style="text-align: center;">Intervening Variable</p> $\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$

6. DATA ANALYSIS TECHNIQUES

Data analysis techniques in this research include Descriptive Statistics Analysis, Classic Assumption Test, Multiple Linear Regression Analysis, and Statistical Hypothesis Test. Researchers used SPSS 26 Output for data analysis in this research. Apart from that, in this research, Path Analysis was also carried out to identify the influence of intervening variables on the relationship between the independent variable and the dependent variable.

7. RESULTS AND DISCUSSION

Descriptive Statistics Analysis

Table 2. Descriptive Statistics Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Board of Directors	138	3.00	15.00	6.6884	2.80719
Independent Commissioner	138	.29	.83	.4089	.12502
Audit Committee	138	3.00	8.00	3.4855	1.06185
Corporate Social Responsibility	138	.35	.76	.4763	.08948
Financial Performance	138	-38.36	30.99	6.2913	8.10318
Company Value	138	.34	197.93	3.6554	17.34070
Valid N (listwise)	138				

Classic Assumption Test

Classic Assumption Test carried out include Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test. Based on the Normality Test, the asymp. sig. (2-tailed) > 0.05, so the data is normally distributed. Multicollinearity Test results for all independent variables have a tolerance value > 0.10 and a VIF value < 10, so the regression model can be said to be free from multicollinearity. Heteroscedasticity Test using Spearman rho shows the value of sig. (2-tailed) > 0.05, then there are no symptoms of heteroscedasticity. Apart from that, Autocorrelation Test using Durbin-Watson shows a value of $dU < d < 4 - dU$, so it can be said that the regression model is free from autocorrelation symptoms.

Multiple Linear Regression Analysis*Table 3. Multiple Regression Analysis 1*

		Coefficients^a				
Model		Unstandardized		Standardized		Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta	T	
1	(Constant)	.011	.464		.023	.982
	LN_BOD	-.271	.153	-.196	-1.770	.080
	LN_IC	-.115	.206	-.051	-.560	.577
	LN_AC	.259	.220	.134	1.179	.241
	LN_CSR	.143	.264	.049	.541	.589
	LN_FP	.246	.053	.434	4.609	.000

a. Dependent Variable: LN_CV

In form, the results of Multiple Linear Regression Analysis can be seen in the following equation:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

$$CV = 0.011 - 0.271BOD - 0.115IC + 0.259AC + 0.143CSR + 0.246FP + e$$

Description:

CV : Company Value (Tobin's Q)

BOD : Board of Directors

IC : Independent Commissioner

AC : Audit Committee

CSR : Corporate Social Responsibility

FP : Financial Performance (ROA)

Statistical Hypothesis Test

Table 4. Statistical Hypothesis Test

	B	T	Sig.
F Test			.000
R² Test			
Adjusted R Square			.201
T Test			
(Constant)	.011	.023	.982
LN_BOD	-.271	-1.770	.080
LN_IC	-.115	-.560	.577
LN_AC	.259	1.179	.241
LN_CSR	.143	.541	.589

The F test shows that F_{count} is $0.000 < 0.05$, so the independent variables simultaneously influence company value. Then, the R^2 test shows that the Adjusted R Square is 0.201, so 20.1% of the company value can be explained by the independent variables in this research, and 79.9% is explained by other variables outside this research. The T test shows $sig. > 0.05$, then there is no influence of the independent variable on company value. Therefore, it can be concluded that the Board of Directors, Independent Commissioner, the Audit Committee, and Corporate Social Responsibility have no effect on company value.

Path Analysis*Table 5. Multiple Regression Analysis 2*

		Coefficients^a				
Model		Unstandardized		Standardized		Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta	T	
1	(Constant)	4.146	.755		5.494	.000
	LN_BOD	-.471	.279	-.193	-1.688	.094
	LN_IC	-.044	.380	-.011	-.116	.908
	LN_AC	-.692	.401	-.203	-1.726	.087
	LN_CSR	1.193	.474	.232	2.515	.013

a. Dependent Variable: LN_FP

Table 6. Direct Effect Results

Direct Effect		
Hypothesis	Standardized Coefficients	Sig.
	Beta	
H ₁ : The Board of Directors has an effect on company value	-0.196	0.080
H ₂ : Independent Commissioner has an effect on company value	-0.051	0.577
H ₃ : The Audit Committee has an effect on company value	0.134	0.241
H ₄ : Corporate Social Responsibility has an effect on company value	0.049	0.589

Table 7. Indirect Effect Results

Indirect Effect		
Hypothesis	Standardized Coefficients Beta	Nilai Beta
H ₅ : The Board of Directors has an effect on company value through financial performance	-0.193 x 0.434	-0.084
H ₆ : Independent Commissioner has an effect on company value through financial performance	-0.011 x 0.434	-0.005
H ₇ : The Audit Committee has an effect on company value through financial performance	-0.203 x 0.434	-0.089
H ₈ : Corporate Social Responsibility has an effect on company value through financial performance	0.232 x 0.434	0.101

Based on the calculation results in the table, it can be concluded that:

- a. The direct effect of the Board of Directors on company value is smaller than the indirect effect of the Board of Directors on company value through financial performance ($-0.196 < -0.084$). So, it can be concluded that financial performance is able to mediate the influence of the Board of Directors on company value.
- b. The direct effect of Independent Commissioner on company value is smaller than the indirect effect of Independent Commissioner on company value through financial performance ($-0.051 < -0.005$). So, it can be concluded that financial performance is able to mediate the influence of Independent Commissioner on company value.
- c. The direct effect of the Audit Committee on company value is greater than the indirect effect of the Audit Committee on company value through financial performance ($0.134 > -0.089$). So, it can be concluded that financial performance is unable to mediate the influence of the Audit Committee on company value.

- d. The direct effect of CSR on company value is smaller than the indirect effect of CSR on company value through financial performance ($0.049 < 0.101$). So, it can be concluded that financial performance is able to mediate the influence of CSR on company value.

Discussion

1. The Influence of the Board of Directors on Company Value

Based on the Statistical Hypothesis Test regarding the influence of the Board of Directors on company value, it was found that the hypothesis was rejected. This is proven by the results of the T Test (partial), the significance value is greater than the standard value, $0.080 > 0.05$. The Board of Directors has no effect on company value. The results of this research are in line with research by Khoirunnisa & Aminah (2022), Wahyuningtiasari & Sulastiningsih (2024). A large composition of the Board of Directors will hinder the decision-making process in managing the company, because coordination will take longer and therefore be less effective. Companies with only the composition of the Board of Directors will not maximize performance and company value. When the composition of the Board of Directors is greater than the composition of the Board of Commissioners, supervision of the performance of the board of directors becomes more difficult because the position of the Board of Directors tends to be higher. This is not in line with the function of the Board of Directors according to agency theory. The Board of Directors plays an important role in influencing company value, through effective decision making that is able to encourage optimal implementation of GCG, especially transparency and responsibility, thereby contributing to increasing company performance and value.

2. The Influence of Independent Commissioner on Company Value

Based on the Statistical Hypothesis Test regarding the influence of Independent Commissioner on company value, it was found that the hypothesis was rejected. This is proven by the results of the T Test (partial), the significance value is greater than the standard value, $0.577 > 0.05$. Independent Commissioner has no effect on company value. The results of this research are in line with research by Rahman & Asyik (2021). The role of Independent Commissioner is less effective in the company so it is unable to contribute to increasing company value. The number

of Independent Commissioner cannot be used as a guarantee to increase company value. This happens because the existence of Independent Commissioner is only a formality to comply with applicable regulations from the Indonesian Financial Services Authority, so that Independent Commissioner does not carry out its supervisory function properly. This is not in line with the function of Independent Commissioner according to agency theory which states that Independent Commissioner serves as an independent supervisor to ensure that management runs the company in accordance with the interests of stakeholders. However, this research shows that Independent Commissioner has no effect on company value, which can be caused by their lack of competence in providing effective supervision.

3. The Influence of the Audit Committee on Company Value

Based on the Statistical Hypothesis Test regarding the influence of the Audit Committee on company value, it was found that the hypothesis was rejected. This is proven by the results of the T Test (partial), the significance value is greater than the standard value, $0.241 > 0.05$. The Audit Committee has no effect on company value. The results of this research are in line with research by Wibowo & Widyawati (2020). The performance of the Audit Committee is not optimal, can be seen from the unsatisfactory level of financial report quality, so it cannot increase company value. This is not in line with the function of the Audit Committee according to agency theory which states that the Audit Committee acts as a supervisory mechanism to minimize conflicts of interest between management and stakeholders. However, in this research, the existence of the Audit Committee was not effective in carrying out its supervisory function. One of the reasons could be the lack of quality or frequency of supervisory carried out, so that it is unable to have a significant impact on improving financial performance or increasing investor confidence. In addition, there is a possibility that the Audit Committee exists only to comply with regulations without being supported by sufficient capacity to have a real impact on company value.

4. The Influence of Corporate Social Responsibility on Company Value

Based on the Statistical Hypothesis Test regarding the influence of CSR on company value, it was found that the hypothesis was rejected. This is proven by

the results of the T Test (partial), the significance value is greater than the standard value, $0.589 > 0.05$. CSR has no effect on company value. The results of this research are in line with research by Ariani et al., (2024). Many companies carry out CSR programs only to fulfill regulatory obligations or improve the company's image, without focusing on the real impact on business sustainability. Additionally, investors may pay more attention to direct financial performance than to CSR activities in assessing firm value. This is not in line with the function of CSR according to stakeholder theory, which states that CSR can increase public trust and company reputation. However, the research results show that CSR has no effect on company value. This could be because the CSR program carried out by the company does not have a direct impact on improving company performance or is not communicated well to stakeholders. In addition, CSR is often considered just an additional cost by management without a real contribution to company strategy, thus failing to increase the company's value according to investors.

5. The Influence of the Board of Directors on Company Value through Financial Performance

The direct effect of the Board of Directors on company value is smaller than the indirect effect of the Board of Directors on company value through financial performance ($-0.196 < -0.084$). So, it can be concluded that financial performance is able to mediate the influence of the Board of Directors on company value, in line with research by Nurhidayanti et al., (2023).

6. The Influence of Independent Commissioner on Company Value through Financial Performance

The direct effect of Independent Commissioner on company value is smaller than the indirect effect of Independent Commissioner on company value through financial performance ($-0.051 < -0.005$). So, it can be concluded that financial performance is able to mediate the influence of Independent Commissioner on company value, in line with research by Fitriasih et al., (2024).

7. The Influence of the Audit Committee on Company Value through Financial Performance

The direct effect of the Audit Committee on company value is greater than the indirect effect of the Audit Committee on company value through financial performance ($0.134 > -0.089$). So, it can be concluded that financial performance is unable to mediate the influence of the Audit Committee on company value, in line with research by Rumaidia & Rahman (2023).

8. The Influence of Corporate Social Responsibility on Company Value through Financial Performance

The direct effect of CSR on company value is smaller than the indirect effect of CSR on company value through financial performance ($0.049 < 0.101$). So, it can be concluded that financial performance is able to mediate the influence of CSR on company value, in line with research by Saputri & Isbanah (2021).

8. CONCLUSION AND SUGGESTIONS

Conclusion

This research aims to determine the influence of Good Corporate Governance and Corporate Social Responsibility on company value with financial performance as an intervening variable in companies listed on the IDX ESG Leaders Index for 2021-2023. This research uses a quantitative approach. The sample in this research was 46 companies listed on the IDX ESG Leaders Index for 2021-2023. The research results can be described as follows:

- 1. The Board of Directors has no effect on company value**, this is because companies with only the composition of the Board of Directors will not maximize performance and company value. When the composition of the Board of Directors is greater than the composition of the Board of Commissioners, supervision of the performance of the board of directors becomes more difficult because the position of the Board of Directors tends to be higher.
- 2. Independent Commissioner has no effect on company value**, this is because the number of Independent Commissioner cannot be used as a guarantee to increase company value. This happens because the existence of Independent Commissioner is only a formality to comply with applicable regulations from the

Indonesian Financial Services Authority, so that Independent Commissioner does not carry out its supervisory function properly.

3. **The Audit Committee has no effect on company value**, this is because the existence of the Audit Committee was not effective in carrying out its supervisory function. One of the reasons could be the lack of quality or frequency of supervisory carried out, so that it is unable to have a significant impact on improving financial performance or increasing investor confidence. In addition, there is a possibility that the Audit Committee exists only to comply with regulations without being supported by sufficient capacity to have a real impact on company value.
4. **Corporate Social Responsibility has no effect on company value**, this is because the CSR program carried out by the company does not have a direct impact on improving company performance or is not communicated well to stakeholders. In addition, CSR is often considered just an additional cost by management without a real contribution to company strategy, thus failing to increase the company's value according to investors.
5. **Financial performance is able to mediate the influence of the Board of Directors on company value**, because the direct effect of the Board of Directors on company value is smaller than the indirect effect of the Board of Directors on company value through financial performance.
6. **Financial performance is able to mediate the influence of Independent Commissioner on company value**, because the direct effect of Independent Commissioner on company value is smaller than the indirect effect of Independent Commissioner on company value through financial performance. **Financial performance is unable to mediate the influence of the Audit Committee on company value**, because the direct effect of the Audit Committee on company value is greater than the indirect effect of the Audit Committee on company value through financial performance.
7. **Financial performance is able to mediate the influence of Corporate Social Responsibility on company value**, because the direct effect of CSR on company value is smaller than the indirect effect of CSR on company value through financial performance.

Suggestions

The recommendation for further research is that researchers should use the latest GRI standard, namely GRI 2021, for measuring Corporate Social Responsibility (CSRDI). Apart from that, researchers must also consider other measurements of Good Corporate Governance and Corporate Social Responsibility used in research. Then, the limitation of this research is that the research year was quite short.

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