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THE EFFECT OF ASEAN CG SCORECARD ON COMPANY VALUE WITH SUSTAINABILITY REPORT AS INTERVENING VARIABLES

ABSTRACT

The purpose of this study was to examine the effect of the ASEAN CG Scorecard on corporate value and sustainability report as an intervening variable. companies listed on the Indonesia Stock Exchange during the period 2014-2017. The research sample was selected using the purposive sampling method. The research analysis used multiple linear regression test with the help of SPSS 20.0 software.

The results of the study showed that there were 16 companies that met the population target set in the study. Based on the results of multiple linear analysis with a significance level of 5%, the results of this study conclude that Good corporate governance does not have a positive effect on the sustainability report. Good corporate governance has a positive effect on company value. Sustainability report cannot mediate the positive influence of good corporate governance on company value.

Keywords: ASEAN CG Score Card, Corporate Value, Sustainability Report

PRELIMINARY

Shares from the public eye are a reflection of the value of a company. The higher the interest of the community to own shares of a company regardless of the high or low of the rupiah issued in obtaining these shares shows the higher the value of the company. Rahayu and Sari (2018) in the results of their research stated that the measure of the success of the company's management was seen from the company's ability to prosper its shareholders. High stock prices are directly proportional to the value of the company and foster market confidence in the performance of the company and also the prospects of the company in the future.

The monetary crisis experienced by Indonesia in the late 19th century revealed the depravity of corporate governance in Indonesia to the surface, since then the implementation of Good Corporate Governance (GCG) in Indonesia began to be intensively carried out. Learning from the economic crisis in the previous year, the government created clear institutions and rules regarding GCG. In 1999, the National Committee on Corporate Governance (KNKCG) formed based on the Decree of the Coordinating Minister for Economic Affairs Number: KEP / 31 / M.EKUIN / 08/1999 issued the first Good Corporate Governance Guidelines.

The experience is not only a learning for the government but also for prospective investors who are increasingly careful in investing, they will analyze not only through financial reports but also sustainability reports to assess the company's performance, before deciding to invest or not. Through these reports, information on the performance of the company's management in managing the company as a whole.

The financial report is not the only benchmark in the decision to interact with business or investment, sustainability reports begin to get the attention of stakeholders. Aziz and Irjayanti (2014) state that an investor is no longer just relying on reports that only consist of cash flows, income statements, balance sheets, and notes to financial statements as a tool for making investment decisions. Astuti and Juwenah (2017) state that the sustainability of an organization depends on the support of stakeholders, the way to maintain relationships with corporate stakeholders is to disclose sustainability reports.

The main goal of a company is established to gain profit and satisfy all stakeholders. Because of this purpose, the processing of natural and human resources is often done unwise, so that economic inequality, social conflict and natural damage will occur if this is allowed. These problems can be overcome if an understanding of sustainable development can be understood. Sustainable development is not only focused on overcoming environmental damage, but more than that, such as social and economic welfare. Sustainable Development has a goal to meet the needs of the current generation without reducing the ability to meet the needs of future generations (G4 Sustainability Reporting Guidelines, 2013).

Availability of funds, environmental mission, social responsibility, implementation in policy, and having value benefits are five important factors in the concept of sustainability (Adhipradana and Daljono, 2014). The real form of the above theory is outlined in the form of a report that is a sustainability report. Good practice Sustainability Report and its disclosure are consequences of the implementation of the concept of Good Corporate Governance.

Corporate governance is a key success factor for business, because it has been linked to improving sustainability performance and gaining trust from investors Saltaji (2013). Ganesan, Hwa, Jaafar and Hashim (2017) stated that the relationship between Good Corporate Governance and Sustainability Report is an important field to be studied because both of them bring benefits such as increasing company reputation and profits, increasing company transparency, increasing investor confidence, and many other benefits. Janggu, Darus, Zain and Sawani (2014) in their research stated that in order to improve the performance and sustainability reporting of a company, the practice of Good Corporate Governance must also be improved.

Company value can be measured by how much investors respond to company shares. After seeing the company's compliance with sustainability development, the value of the company in prospective investors should also increase. Investors will choose companies that are not only profit-oriented but also do social and environmental responsibility for sustainable development. Economic, social and environmental responsibilities by companies, companies play a role in the implementation of Good Corporate Governance (Astuti and Juwenah, 2016).

The results of the study from Astuti and Juwenah (2016) state that Sustainability Report in economic performance is positively related significantly to Corporate Value, this finding explains that the disclosure of the sustainability of economic performance is welcomed positively by investors thereby increasing the value of shares. Different results are found in the research of Muallifin and Priyadi (2016) which state that disclosure of sustainability reports is not related to the company's market performance. The results of the study stated that the disclosure of Sustainability Report was not welcomed in the market so it did not affect the value of the company. By describing the background above, this study wants to prove that the Good Corporate Governance implicit in the Sustainability Report and Financial Report can influence the value of the company. According to Fatchan (2016) Companies with good Good Corporate Governance will have extensive information for investors and this can be used for decision making which will be responded to positively by investors so as to increase the value of the company.

The results of the study from Astuti and Juwenah (2016) state that Sustainability Report in economic performance is positively related significantly to Corporate Value, this finding explains that the disclosure of the sustainability of economic performance is welcomed positively by investors and contributes to increasing the value of shares. This study uses the ASEAN CG Scorecard as a proxy for Good Corporate Governance and also uses GRI 4 as a Sustainability Report proxy. This study places the Sustainability Report as a variable to mediate the influence of Good Corporate Governance on firm value. This study also has several limitations including Sustainability Report is not a mandatory report so that not all companies that publish financial reports also issue Sustainability Reports, not all companies that issue Sustainability Reports every year, or publish Sustainability Reports not at the time together with the issuance of their financial statements, and in this study using the ASEAN CG Scorecard as a proxy for Good Corporate Governance is also still a non-mandatory regulation that makes the study population even narrower. The purpose of this research is to determine the influence of Good Corporate Governance on the Sustainability Report. The influence of Good Corporate Governance on Company Values directly and indirectly.

This research is expected to contribute to the development of accounting science especially financial management because this study refers to the proxy variable of Good Corporate Governance, Sustainability Report and Company Value and provides a deep understanding of Good Corporate Governance, Sustainability Report and Company Value through a comprehensive and tested model empirically according to the situation and conditions prevailing in Indonesia. Providing information to management regarding the factors related to Good Corporate Governance, Sustainability Report and Company Value so that the going concern principle of the company can be carried out, and also advises that the Sustainability Report issuance process be better. Providing information to shareholders, investors, creditors and other parties who use financial statements to understand the factors related to Good Corporate Governance, Sustainability Report and Company Value so as not to get lost in decision making. For other parties, this research is expected to be used as reference material and material for consideration to conduct further research.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Stakeholders theory

This stakeholder group is a matter of consideration for the company's management in disclosing or not information in the company's report. Astuti and Juwenah (2017) state that the survival of an organization depends on the support of stakeholders. One way to maintain relationships with corporate stakeholders is to disclose sustainability reports that include economic, social and environmental aspects.

Agency Theory

Agency theory or agency theory is a source of good corporate governance in the world. Jensen and Meckling (1976) stated that agency theory is a contract between agents in this case management with the principal or company owner. The contractual relationship will run well because the principal has given up all authorization for decision making to the agent. Agency theory is based on three assumptions, namely assumptions about human nature (self interest, bounded rationality, risk averter), organizational assumptions, and information assumptions (Eisenhard, 1989).

Achyani, Triyono and Wahyono (2015) stated that management as the party appointed to manage the company, should be the party who knows the most information about the condition of the company and its prospects in the future compared to the shareholders. This situation causes information asymmetry between managers and shareholders and stakeholders because of the imbalance of information held by them.

Signaling Theory

The beginning of the Signaling Theory or in Indonesian is called the Signal Theory is from the real market phenomenon of a seller having more information about the product being sold than the information that the buyer has. This phenomenon attracts Arkelof in 1970 which in the results of his research said that information inequality between sellers and buyers or called adverse selection can be reduced if the seller informs buyers of their products as a signal about the quality of the products they offer.

Legitimacy Theory

Legitimacy is the recognition of the legality of something (Astuti and Juwenah, 2017). This theory is the basis for companies to pay attention to what is expected by the community and be able to harmonize with the social norms that apply in the place of the company. When the company no longer adheres to the values and norms in the area where the company is located and the differences that occur are greater, the legitimacy of the company is also threatened with loss. According to this theory a company operates with the permission of the community, where the permit can be withdrawn if the community judges if the company does not do the things that are required of it (Sari, 2013).

The value of the company

The long-term goal of a company is to increase company value (Nisa, 2017). Rahayu (2010) states that company value is a value for measuring the quality of a company and evaluates how much the level of interest of a company in the eyes of its customers. Company value is a reflection of the equity value and book value of the company, both in the form of equity market value, book value of total debt and book value of total equity. The value of the company is very important because the high value of the company will be followed by the high prosperity of shareholders (Sukirni, 2012). Ayem and Nugroho (2016) in their research stated that the high value of the company can be achieved through the implementation of financial management functions where a financial decision taken will influence other financial decisions and have an impact on the value of the company. The value of the company can be reflected in the market value of equity and the market value of its debt. High and low stock prices can also be a benchmark for the value of a company.

Sustainability Report

According to Astuti and Juwenah (2017) Sustainability report is defined as a report issued by a company to reveal the company's performance on economic, social and environmental aspects and efforts to become an accountable company for stakeholders. At present the company is voluntarily starting to prepare a joint sustainability report on corporate financial reporting every year, known as the Sustainability Report, which was initiated from the concept of sustainable development. The report outlines the impact of the company's organization on three aspects, namely the impact of the company's operations on the economy, social and environment (Nasir, Ilham and Utara, 2014)

Fatchan and Trisnawati (2016) stated that the Sustainability Report is used by managers as a signal of company profitability to investors and to help support sustainability and management compensation. So a better company will be more open and transparent in reporting information about its company.

Intiative Global Reporting or abbreviated as GRI promotes the use of a sustainability performance reporting system, with a view to making companies more sensitive and contributing to sustainable development. After the GRI sustainability reporting framework, the company has set goals in three dimensions, namely, economic, environmental and social. Cutting across sectors and geographical regions, the GRI framework has been found to be comprehensive to capture sustainability performance.

GRI is an organization-based network that has pioneered the development of the world, using the most sustainability report framework and committed to improving and implementing the world.

The focus of GRI disclosure (based on GRI 4), among others:

1. The General Standard Disclosure Indicator consists of 58 items

2. The Management Approach indicator consists of 1 item

3. Economic Aspect Indicator consists of 9 items

4. Environmental Aspect indicators consist of 34 items

5. The Social Aspect Indicator consists of 48 items which are divided into 4 parts, namely:

- Employment Practices
- Human Rights
- Society
- Responsibility for Products

Good Corporate Governance

The Indonesian Institute of Corporate Governance (2010) defines corporate governance as a process and structure that is applied in running a company, whose main goal is to increase the value of the company in the long term and pay attention to the interests of other stakeholders. Aziz (2014) states that Good Corporate Governance (GCG) is a corporate governance that has a broader agenda in the future. The focus of corporate accountability, which was initially concentrated in the shareholders, is now broader, which is also important to take into account the interests of stakeholders.

The emergence of the issue of corporate governance stems from scandals that have occurred in the past to various large companies, such as Enron, Satyam, and others, which have reduced investor confidence in the capital market (Setiawan and Christiawan, 2017). The benefits of corporate governance according to the Forum for Corporate Governance in Indonesia (FCGI, 2001) are:

1. Improving the performance of the company so that the creation of improved decision-making systems, which also creates operational efficiency of the company which ultimately improves service to stakeholders.

2. Simplify obtaining cheaper funding so that it can increase corporate value.

3. Returning investor confidence to invest in Indonesia.

4. Shareholders will be satisfied with the company's performance because it will simultaneously increase shareholder value and dividends.

In Indonesia alone the economic crisis experienced at the end of the new order period was the momentum of the promotion of the implementation of Good Corporate Governance. In 1999, the National Committee on Corporate Governance (KNKCG) established based on the Decree of the Coordinating Minister for Economic Affairs Number: KEP / 31 / M.EKUIN / 08/1999 issued the first Good Corporate Governance (GCG) Guidelines. The KNKCG which later changed to the National Committee on Governance Policy (KNKG) made several improvements to the guidelines until the last improvement was in 2006. The guideline became a reference for companies in Indonesia in implementing GCG. The basic principles of the implementation of good corporate governance, which was put forward by the National Committee on Governance (KNKG) in 2006 were:

o Transparency

o Accountability

o Responsibility

o Independence

o Justice

One of the assessments of Corporate Governance is to use the ASEAN Corporate Governance Scorecard or commonly called the ASEAN CG Scorecard. The ASEAN CG Scorecard is a GCG guideline agreed upon by the ASEAN Capital Market Forum (ACMF) as a GCG guideline in all ASEAN countries. The origin of the ASEAN CG Scorecard is derived from the GCG guidelines issued by the Organization for Economic Cooperation and Development (OECD).

According to the Asian Development Bank (2014) the ASEAN CG Scorecard provides a meticulous methodology that can be used as an opportunity for international best practices, including the Organization for Economic Cooperation and the principles of corporate governance, to assess public corporate governance in six participating ASEAN member countries .

This guideline is expected to increase investor confidence in listing companies in ASEAN. The principles of Corporate Governance developed by OECD include:

o Shareholder rights

o Equivalent Treatment of Shareholders

o Stakeholder Roles

o Disclosure and Transparency

o Board Responsibilities

Previous research

The results of Nasir, Ilham and Utara's (2014) study state that Return on Assets, Debt to Equity Ratio and Governance Committee have a significant effect on the sustainability report, while the Current Ratio, Inventory Turnover, Size, Audit Committee, and Board of Directors, does not significantly influence the disclosure of the sustainability report. The results of Ningrum and Prihatiningtias (2016) study state that GCG simultaneously influences disclosure of sustainability reports. However, only partially independent variable board of commissioners and board of commissioners with foreign nationalities have a significant negative effect on disclosure of sustainability reports.

Aziz's (2014) study states that managerial ownership factors have a significant effect on the quality of Sustainability Report disclosures in Indonesia, while the size of the Board of Commissioners, proportion of Independent Commissioners, Audit Committee size, institutional share ownership, concentrated share ownership, and firm size have no significant effect on quality SR disclosures in Indonesia. Kusumaningtyas's research (2015) found that Good Corporate Governance (GCG) had no effect on company value, this result explained that the adoption of GCG in companies listed on the SRI-KEHATI Index in the May-October 2014 period was not welcomed by investors.

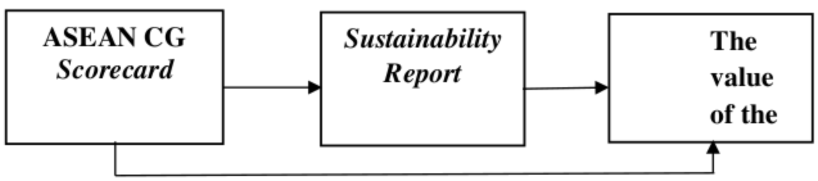
The results of research conducted by Fatchan and Trisnawati in 2016 which examined the effect of GCG on the Sustainability Report (SR) and Company Value relationship found that GCG had no influence on Corporate Value but Sustainability Report had a significant positive effect, meaning that market participants welcomed SR issuance, as a director of the increase in company capital, it will improve the company's market performance as well. Astuti and Juwenah (2017) who examined three performance in a Sustainability Report against Corporate Values found that only economic performance had a significant effect on firm value. The results of Muallifin and Priyadi (2016) stated that Sustainability Report disclosures affect the company's financial performance which is proxied by Current Ratio, but Sustainability Report disclosures have no effect on financial performance which is proxied with Debt to Equity Ratio and Return on Asset. Sustainability Report research on market performance using Tobin’s Q as its proxies has no effect.

The research results of Dianawati and Fuadati (2016) state that Corporate Values show the effect of good corporate governance (GCG) on significant corporate values with positive values, so it can be concluded that good corporate governance (GCG) has a positive and significant influence on firm value. The results of Randy and Juniarti's research (2013) state that GCG measured by GCG score has a significant effect on Company Value. Companies that have a high GCG score indicate that the implementation of GCG in the company is good. GCG that functions as a control tool within the company is able to prevent or reduce agency conflicts in the company, so that it is positively perceived by investors.

Conceptual Framework

The length or short life span of an organization depends on several things, including the support of stakeholders. One way to maintain relationships with corporate stakeholders is to disclose sustainability reports. With the reporting of sustainability reports can be evidence that the company has done Good Corporate Governance.

In Indonesia, publication of sustainability report is still voluntary. However, the company's interest in disclosing sustainability reports has always increased. One of the benefits of sustainability report is increasing shareholders' interest with a long-term vision and helping to increase company value related to social and environmental issues. Astuti and Juwenah (2017) said that the Sustainability Report was not only a tool to inform the company's performance in the economic, social and environmental fields, but also as a moral agent for the company. In the results of his research found that only economic performance has a significant effect on firm value. From the brief description, it can be concluded that the research framework in this study is whether the Good Corporate Governance that is proxied by the ASEAN CG Scorecard influences the Corporate Value with the Sustainability Report as an intervening variable. Chart this research framework as below.



Picture 1

Framework

Development of Hypotheses

Good Corporate Governance for the Sustainability Report

With the issuance of the Sustainability Report by the company, it becomes a signal for investors that the company has been operating its company in accordance with existing regulations. Sustainability Report becomes a moral agent from the company to the environment and the wider community. This report is an answer to social and environmental issues as well as a form of company commitment to stakeholders. Good Corporate Governance is the principle that becomes the basis of a company in maintaining its business continuity in the long term. According to KNKG (2006) the objectives of implementing Good Corporate Governance include encouraging the empowerment of the independence function of each company organ and encouraging the emergence of corporate social awareness and responsibility towards the community and environmental sustainability, especially around the company. According to Ningrum and Prihatiningtias (2016) One of the things that companies can do to improve the quality of sustainability reports is the implementation of corporate governance. The higher the level of GCG implementation in a company, the better the quality of disclosure of the company's sustainability report. The results of Ningrum and Prihatiningtias's research (2016) state that GCG simultaneously influences disclosure of sustainability report, supported by the results of research from Aziz (2014) stating that managerial ownership factors (as a proxy for Good Corporate Governance) have a significant effect on the quality of Sustainability Report disclosures in Indonesia

H1: Good Corporate Governance has a positive effect on the Sustainability Report.

The influence of Good Corporate Governance on Company Values directly and indirectly.

Company value is seen from how far the investor's response to the company's shares. Investors will choose companies that are not only profit oriented but companies that carry out social and environmental responsibilities for sustainable development (Astuti and Juwenah, 2017). With the creation of Good Corporate Governance in a company, the information asymmetry presented in the financial statements will be minimized which makes the quality of financial statements increase, the quality will increase the trust of investors and potential investors so that the value of the company increases which is reflected in the increasing value of the company's shares. The results of the research by Purnamawati, Yuniarta and Astria (2017) state that Good Corporate Governance has an influence on company performance (proxied with Tobin's Q). Supported by the results of research by Randy and Juniati (2013) stating that GCG as measured by GCG score has a significant effect on Company Value. Companies that have a high GCG score indicate that the implementation of GCG in the company is good. GCG that functions as a control tool within the company is able to prevent or reduce agency conflicts in the company, so that it is positively perceived by investors.

H2: Good Corporate Governance has a positive and indirect effect on Company Value.

RESEARCH METHODS

The research method used in this study is causality research. The researcher tests the hypothesis to test the influence of the independent variables with dependent variables. The population in this study were companies listed on the Indonesia Stock Exchange during the period of 2014 - 2017. The sample of this study was selected using a purposive sampling method.

Operational Definition and Variable Measurement

The variables used in the study can be classified into: (1) independent variables (free), which are variables that explain and influence other variables, (2) dependent variables (bound), namely variables explained and influenced by independent variables and (3) variables intervening (mediation) is a variable that affects the relationship between the independent variable and the dependent variable into an indirect relationship and cannot be observed and measured.

a) Company Value

Company value is a reflection of the equity value and book value of the company, both in the form of equity market value, book value of total debt and book value of total equity (Kusumaningtyas, 2015). In this study, the Corporate Value proxied with Tobin's Q. Dewi, Handayani and Nuzula (2016) states that Tobin's Q is able to explain the value of a company which is based on the value of the combination of tangible assets and intangible assets. The Tobin's Q formula is presented as follows:

Tobin's Q = (MVE + DEBT) / TA
Description: MVE = Stock closing price * number of shares outstanding
DEBT = Total company debt
TA = Total assets

b) Good Corporate Governance

The measurement of good corporate governance in this study uses the ASEAN CG scorecard which refers to the ACMF principle which consists of 97 items divided into:

The steps taken in obtaining the above index are:

1. Make a disclosure list.

2. Determine the disclosure index. Giving a disclosure score is given a score of 1 if expressed and given a score of 0 if not disclosed.

The measurement of the ASEAN corporate governance scorecard index is calculated by the formula:

$$\text{Score} = \frac{\text{No.of items scored}}{\text{total no.of question}}$$

c) Sustainability Report Disclosures

Intervening variable (mediation) is a variable that affects the relationship between the independent variable and the dependent variable into an indirect relationship and cannot be observed and measured. The Intervening variable in this study is the Sustainability Report. Sustainability Report is a report that does not only present financial performance information but also non-financial information consisting of information on social and environmental activities that enable the company to grow sustainably. In accordance with the guidelines of the Global Reporting Initiative (GRI 4), Sustainability Report in this study is measured by the Sustainability Report Disclosure Index (SRDI). The Sustainability Report Disclosure Index (SRDI) is an index used to assess how corporate responsibility is in accordance with the criteria according to GRI, namely economic, environmental and social. The total Sustainability Report disclosure index uses an index issued by the Global Reporting Initiative (GRI 4), which amounts to 150 items SRDI calculations performed by giving a score of 1 if the item is disclosed and a score of 0 if the item is not disclosed. After scoring all items, the score will be added to get the total score of each company. The SRDI calculation formula is:

$$\mathbf{SR = V/N}$$

Information :
SRDI: Sustainability Report Disclosure Index
V: Fulfilled index
N: The total index that must be met

Analysis that has more than one independent variable is called multiple linear regression analysis. Multiple linear regression techniques are used to determine whether there are significant effects of two or more independent variables on the dependent variable (Y). Multiple linear regression models for populations can be shown as follows:

This study uses multiple linear regression analysis techniques, where the regression is used to analyze how the effect of disclosure of the influence of Good Corporate Governance on Corporate Value with Sustainability Report disclosure as a variable intervening. So, the analysis model in this study can be described as follows:

$$SR = \beta 0 + \beta 1.GCG + e1 \quad \ldots\ldots\ldots\ldots\ldots\ldots (1)$$
$$Q = \beta 0 + \beta 1.SR + \beta 2.GCG + e2 \quad \ldots\ldots\ldots\ldots (2$$

Information:
SR : Sustainability Report
Q : Tobin's Q (Nilai Perusahaan)
GCG : Asean CG *Scorecard*
β0 : Konstanta
β1- β2 : Koefisien regresi
e : Error

RESULTS AND DISCUSSION

Descriptive Data

This study uses secondary data from sustainability reports, annual financial reports and the ASEAN CG Scorecard from 28 companies listed on the Indonesia Stock Exchange in 2014-2017 that meet the specified criteria. The companies that will be sampled in this study are all companies listed on the Indonesia Stock Exchange in 2014-2017 with the determination of the purposive sampling method. The sample criteria used in this study are as follows:

Research Sample Criteria

Information	total
Companies that are listed on the Indonesia Stock Exchange in a row during the 2014-2017 period	555
Companies that do not present sustainability reports during the 2014-2017 period	(142)
Companies that do not present the ASEAN CG Scorecard in a row during the 2014-2017 period	(175)
Companies that experience consecutive losses during the 2014-2017 period	(110)

Companies that present financial statements for the period 2014-2017 are not in rupiah	(100)
Outlier Test	(12)
Number of Company Samples	16
Number of Years of Research	4
Number of Samples During the Research Period	64

Number of Samples During the Research Period.

Based on the description table of the research object data above, manufacturing companies listed on the Indonesia Stock Exchange in a period of 2014-2017 were 555. Meanwhile, companies that did not have or publish sustainability reports, the ASEAN CG Scorecard during the 2014-2017 research period were as many as 148 and 175 companies respectively. Companies that experienced successive losses during 2014-2017 were as many as 110 companies and companies that presented financial statements not in rupiah currency as many as 100 companies. So that the samples used in this study were 28 companies.

The outlier test aims to look at data that has a very large residual value (Gujarati, 2010). If the data has an outlier value, then it means that the sample element contains a very large residual value and must be excluded from the research data. Based on the results of the outlier test analysis on the regression model data to be analyzed, it is found that some data have very large values compared to other data. In this study, the results of the outlier test were 12 companies per year or 48 companies for 4 years (data attached). So, the sample used in this study after an outlier test was 16 samples for four years or 16 company samples per year.

The purpose of this study was to examine the effect of good corporate governance on corporate value and sustainability report as an intervening variable. Thus there are 1 independent variable 1 dependent variable and 1 intervening variable.

Descriptive statistics

Descriptive statistics are methods related to gathering, summarizing, presenting data in a more informative form. Descriptive statistics are used to analyze and present quantitative data in order to describe the characteristics of the data in a study. In the descriptive statistical analysis of the object of this study, the researcher will describe the calculation of the minimum value, maximum value, mean value, standard deviation (standard deviation) of good corporate governance, sustainability report and company value.

The minimum value is the lowest value for each variable while the maximum value is the highest value for each variable in the study. The average value (mean) is the average value of each variable studied. Standard deviation is the distribution of data used in research that reflects data that is heterogeneous or homogeneous in nature that is volatile. This study uses 64 samples of companies listed on the Indonesia Stock Exchange during 2014-2017 or 16 companies per year. The following is a table of descriptive statistics for each research variable:

Table 2

Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
NP	64	.16	2.96	1.0558	.57933
SR	64	.12	.85	.3465	.15226
GCG	64	.54	.58	.5590	.01408
Valid N (listwise)	64				

Source: data processed with SPSS 24 (2018)

Based on table 2 above, it can be seen that the objects studied (N) in 2014-2017 were as many as 64 companies. From the table above, it can be seen the minimum values, maximum, mean, and standard deviation of each variable. This table is used to assist in identifying the size of the deviations for each variable that affects variables with each other. Descriptive statistical analysis shows the following results:

1. Company Value (NP)

In the company value variable, the statistical results show a minimum value of 0.16, namely Bank International Indonesia Tbk in 2015 and 2017. This value indicates that in 2015 and 2017 Bank International Indonesia Tbk has the lowest company value of the company used as the research sample, this value is also shows that Bank International Indonesia Tbk in 2015 and 2017 reflects the equity value and book value of the company, both in the form of equity market value, book value of total debt and book value of total equity of 16%. The maximum value is 2.96, namely PT Indo Tambangraya Megah Tbk in 2017. This value indicates that in 2017 PT Indo Tambangraya Megah Tbk has the highest corporate value from the company that was used as the research sample, this value also indicates that PT Indo Tambangraya Megah Tbk in 2017 reflects the equity value and book value of the company, both in the form of equity market value, book value of total debt and book value of total equity of 2.96%. The average value of the company is 1.0558 reflecting the equity value and book value of the company, both in the form of equity market value, book value of total debt and book value of the total equity of the company sampled an average of 1.0558%. The standard deviation value is 0.57933, this value indicates the variation contained in the company value variable. The lower standard deviation value than the average indicates that the distribution of data variables is low or there is a fairly low gap from the company's value data. These results also indicate that the results are quite good. This is because standard deviation is a reflection of very high deviations, so that the spread of data shows normal results and does not cause bias.

2. Sustainability Report (SR)

On the sustainability report variable, the statistical results show a minimum value of 0.12, namely Astra International Tbk in 2015, which means that in 2015 PT Astra International Tbk only carried out a sustainability report of 12% and was the lowest sustainability report carried out by the companies made the research sample and the maximum value of 0.85, namely PT Petrosea Tbk in 2014, which means that in 2014 PT Petrosea Tbk conducted a sustainability report of 85% and was the highest sustainability report carried out by companies that were used as research samples. The average sustainability report value is 0.3465, which means that the average company used as a sustainability report is 34.65% and the standard deviation value is 0.15226, this value indicates the variation found in the sustainability report variable. The lower standard deviation value than average indicates that the distribution of data variables is low or there is a fairly low gap from the sustainability report data. These results also indicate that the results are quite good. This is because standard deviation is a reflection of very high deviations, so that the spread of data shows normal results and does not cause bias.

3. Good Corporate Governance (GCG)

In the good corporate governance variable, the statistical results show a minimum value of 0.54, namely PT Bukit Asam Tbk in 2016, which means that in 2016 PT Bukit Asam Tbk reported the ASEAN CG Score Card for only 54% and was the lowest reporting of the sample companies research and a maximum value of 0.58, namely PT Petrosea Tbk in 2014, which means that in 2014 PT Petrosea Tbk reported the ASEAN CG Score Card by 58% and was the highest report from the company that was used as the research sample. The average value of good corporate governance is 0.5590, which means that the average company used as the research sample is the ASEAN CG Score Card reporting of 55.90% and the standard deviation value of 0.01408, this value indicates the variation in the good corporate governance variable. The lower standard deviation value than average indicates that the distribution of data variables is low or there is a fairly low gap from good corporate governance data. These results also indicate that the results are quite good. This is because standard deviation is a reflection of very high deviations, so that the spread of data shows normal results and does not cause bias.

Based on the results of the residual normality test, it is known that the residual regression equation model has the value of Asymp. Sig> alpha 0.05. For model 1 is 0.87 and for model 2 is 0.185 (data attached). Then H0 is accepted, meaning that the distribution of residual values in the regression equation model is declared to be normally distributed. This shows that the regression model of the dependent variable and the independent variable has a normal or close distribution so that the assumptions of normality required by the model are met. Based on the results of multicollinearity testing, it is known that model 1 and model 2 (data attached) have a Tolerance value> 0.10 and VIF value <10. Then H0 is accepted, meaning that between independent variables there are no symptoms of multicollinearity.

Autocorrelation shows that there is a correlation between the error of the previous period error which in the classical assumption this should not happen. The autocorrelation test was carried out using Durbin Watson. If the Durbin Watson value ranges between the upper limit value (dU), it is estimated that there is no violation of autocorrelation. From the results of the autocorrelation test above, it is known that the model studied has a total of 64 observations, with the number of independent variables of 2 model 1 variables and 1 model variable 2. The results of the durbin

Watson test are found in the area without autocorrelation. Model 1 with dL value of 1.549, dU value of 1.616, DW value of 1.820, 4-du value of 2.384 and 4-dL of 2.451. Whereas, for model 2 the value of dL is 1.514, the value of dU is 1.652, the value of DW is 1,889, the value of 4-du is 2.348 and 4-dL is 2.486 (data attached). Based on the results of heteroscedasticity testing, it is known that all independent variables model 1 and model 2 have sig values. > 0.05. Then H0 is accepted, meaning that the error variance is declared homogeneous (data attached). Furthermore, it was concluded that there were no problems with heteroscedasticity. Thus the assumption of heteroscedasticity in the regression equation model has been fulfilled.

In this study, there are six hypotheses that need to be empirically tested. All of the tested hypotheses are conjectures about the relationship between the variables of good corporate governance on firm value and the intervening sustainability report variable. The following is a description of the results of data analysis on logarithmic regression models to test the proposed hypothesis:

Table 3

Model 1 Hypothesis Test Results

Variable	Koefisien Regresi	Nilai Sig.	Conclusion
GCG	-0.060	-0.637	Ha is rejected
Adj. R^2		0.112	
F-Statistik		4.225	
F. Sig.		0.000	

Source: Data processed with SPSS 24 (2018)

Table 4

Model 2 Hypothesis Test Results

Variable	Koefisien Regresi	Nilai Sig.	Conclusion
GCG	0.431	0.000	Ha accepted
SR	0.068	0.558	Ha is rejected
Adj. R^2		0.160	
F-Statistik		7.009	
F. Sig.		0.002	

Source: Data processed with SPSS 24 (2018)

Testing the coefficient of determination is used to explain how much variation in the dependent variable can be explained by variations in independent variables. Based on the test results, it is known that the coefficient of determination is seen from the value of Adj. R2 regression model 1 is 0.112. This means that 11.2% of the variation of the dependent variable of firm value can be predicted from a combination of all independent variables. Adj value. R2 regression model 2 is 0.160. This means that 16% of the variation of the dependent variable of firm value can be predicted from a combination of all independent variables. In this study testing simultaneously using the F Test or ANOVA (analysis of variance). This test is conducted to see the joint effect of the independent variable (good corporate governance and sustainability report) on firm value variables. From the results of the F test it is known that the significance values for model 1 and model 2 $<\alpha 0.05$. Then H0 is rejected, which means that there is a joint effect between all the independent variables, namely good corporate governance and sustainability report as an intervening variable on firm value. So that these results indicate that the regression model of this study is good or significant.

Partial testing is intended to determine whether there is influence of each of the independent variables (corporate governance) on the variable value of the company with the sustainability report as an individual intervening variable. Based on the results of partial regression testing (t-test) it is known that the good corporate governance variable has a sig value of 0.637 / 2 = 0.319> 0.05, this indicates that the good corporate governance variable is not significant at the 5% level with a regression coefficient of -0.060, so the decision is Ha rejected. This indicates that good corporate governance has no positive effect on the sustainability report. Based on the results of partial regression testing (t-test) it is known that good corporate governance variables have a sig value. 0,000 / 2 = 0,000 <0,05, this shows that the variable good corporate governance is significant at the level of 5% with a coefficient of 0.431, so the decision is Ha accepted. This indicates that good corporate governance has a positive effect on firm value.

The indirect effect of good corporate governance on corporate value through the sustainability report uses the Sobel test with the following formula:

$$Z = \frac{ab}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}}$$

Where:
a = regression coefficient of the independent variable on the mediating variable
b = mediating variable regression coefficient on the dependent variable
SEa = standard error of estimation from the effect of independent variables on mediating variables
SEb = standard error of estimation of the effect of mediating variables on the dependent variable
Then the calculation is as follows:

$$\frac{-0{,}060 \; x \; 0{,}068}{\sqrt{((0{,}068)^2 \; (1.371)^2) + ((-0{,}060)^2 \; (0.440)^2)}}$$

$$Z = \frac{-0.00408}{\sqrt{(0{,}004624)\;(1{,}879641) + (0{,}0036)\;(0{,}1936)}}$$

$$Z = \frac{-0.00408}{\sqrt{0{,}008691 + 0{,}0006970}}$$

$$Z = \frac{-0.00408}{\sqrt{0{,}009388}}$$

$$Z = \frac{-0.00408}{0{,}096897}$$

$$Z = -0.04211$$

From the results of the sobel test, the results of the z value are -0.04211, this value is smaller than 1.98 (-0.04211 <1.98) with a significance level of 5% so that the decision is Ha rejected. This indicates that sustainability report cannot mediate the effect of good corporate governance on firm value.

Conclusions and recommendations

The results of this study are good corporate governance does not have a positive effect on the sustainability report. This result is not in line with the research conducted by Aziz (2014) who found that good corporate governance negatively affected the sustainability report. This result explains that with the publication of the Sustainability Report by the company, it is a signal for investors that the company has been operating its company in accordance with existing regulations. Sustainability Report becomes a moral agent from the company to the environment and the wider community. This report is an answer to social and environmental issues as well as a form of company commitment to stakeholders. But in this study good corporate governance has no positive effect on the sustainability report. These results explain that good corporate governance has not done its job properly. In this study, the ASEAN CG Score Card carried out by the companies studied did not exceed 60%, indicating that good corporate governance practices were still not maximized so that they did not affect the sustainability report. In this case, good corporate governance carried out by the company has not been maximized so that supervision and provision of instructions to company managers and management is less than optimal.

The results of this study are in line with research conducted by Randy and Juniati (2013) stating that GCG as measured by GCG score has a significant effect on Company Value. These results explain that with the creation of Good Corporate Governance in a company, the information asymmetry presented in the financial statements will be minimized which makes the quality of financial statements increase, the quality will increase the trust of investors and potential investors so that the company's value increases as reflected in the increase in the company's stock value . Companies that have a high GCG score indicate that the implementation of GCG in the company is good. GCG that functions as a control tool within the company is able to prevent or reduce agency conflicts in the company, so that it is positively perceived by investors.

The results of this study explain that good corporate governance cannot increase a company's value with sustainability report support. These results explain that good corporate governance does not affect company value through sustainability report. Good corporate governance owned by the company encourages the empowerment of the independence function of each company organ and encourages the emergence of corporate social awareness and responsibility towards the community and environmental sustainability, especially around the company so that it can increase company value in the eyes of investors. However, in this research the sustainability report carried out by the company as one of the awareness and responsibility of good corporate governance is not able to influence the company's value in the eyes of investors. This result also shows that investors pay more attention to financial ratios so that the sustainability report carried out with good corporate governance does not attract investors.

Based on the conclusions of the study, the suggestions given in this study are the research samples used in this study are all companies listed on the Indonesia Stock Exchange. For further research, it is better to use research samples from one industry only to be able to see the difference in results using the specifications of one industry. The measurement of good corporate governance in this study is the ASEAN CG Score Card. For further research, it is better to use other good corporate governance measurements because the ASEAN CG Score Card implementation in Indonesia is not maximized. For companies, it is recommended to pay attention to the variables of good corporate governance and sustainability report because these two variables can attract investors' attention so that they can increase the value of the company that can provide benefits to the company. For investors, it is recommended to pay attention to good corporate governance and sustainability report activities in a company because both of these variables can increase the value of the company so that it can provide benefits for invested investment.

Gilbert Rely 28 Feb_3

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