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MANAGERIAL OWNERSHIP MODERATING SUSTAINABILITY REPORTING AND PHILANTHROPY DISCLOSURE ON FIRM VALUE

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Abstract
The purpose of this study is to obtain empirical evidence regarding Managerial Ownership Moderating Sustainability Reporting and Philanthropy Disclosure on Firm Value. This study uses purposive sampling to determine the sample, with 62 companies as samples and a 3-year observation period from 2020 to 2022, resulting in 186 observational data points. The research data was obtained through the official websites of the Indonesia Stock Exchange and the respective companies' websites. Data analysis was conducted using E-Views with panel data regression analysis using the Fixed Effect Model. The research findings indicate that Sustainability Reporting affects company value, Philanthropy Disclosure has a negative impact on company value, Managerial Ownership does not moderate the relationship between Sustainability Reporting and company value, and Managerial ownership moderates the relationship between philanthropy disclosure and firm value.

Keywords: Firm Value, Sustainability Reporting, Philanthropy Disclosure, Managerial Ownership

1. Introduction

The availability of funding sources in the capital market is crucial for the national economy because it supports economic growth by providing alternative long-term financing (Ismanto et al., 2023). In 2018, investment in Indonesia grew rapidly, showing a significant increase in the flow of funds to various economic sectors (Ismanto et al., 2023). Proper investment decisions are expected to enhance the company's value, which reflects prosperity for stakeholders (Sari et al., 2021). The main objective of a company is to increase shareholder wealth through the enhancement of the company's value, which correlates with the stock price in the capital market (Amin et al., 2023). The company's value is often associated with the stock price, which reflects market confidence in the company's performance and prospects (Suripto & Gunawan, 2019).

A high stock price indicates a high company value, which in turn provides welfare for shareholders (Nguyen, 2020; Ng et al., 2021). The Tobin's Q ratio, which measures the relationship between market value and the company's asset value, is an effective tool for assessing the company's ability to create value for shareholders (Sari et al., 2021). Stock price fluctuations also affect the company's value, which investors evaluate through the stock price of publicly traded companies (Musabbihan & Purnawati, 2018). Here are some stock price phenomena from 2020 to 2023:

a. PT Tiga Pilar Sejahtera Food Tbk (AISA) experienced a drastic drop in stock prices after news broke that they were selling subsidized rice as premium rice. AISA shares fell by 24.92% to IDR 1,205 per share in the first trading session. OSO Securities analyst, Riska Afriani, stated that this case damaged the issuer's credibility, affecting public trust and AISA's sales. Achmad Yaki from BCA Securities added that the

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decline was caused by panic selling due to negative news (www.investasi.kontan.co.id, 2023).

b. Shares of PT Unilever Indonesia dropped significantly, reaching IDR 3,880 per share at the beginning of 2022, after a 49% decline from 2017 to 2021. This decline was related to the company's deteriorating performance since 2018 and the Covid-19 pandemic, which reduced consumer purchasing power. Investors were unimpressed with the financial performance post-2018, sending negative signals to the market (www.investor.id, 2022).
c. In November 2021, several mining companies experienced significant stock increases: PT Harum Energy Tbk (HRUM) rose 166.78% to IDR 7,950 per share, PT Adaro Energy (ADRO) increased 17.13% to IDR 1,675 per share, and PT Indo Tambangraya Megah Tbk (ITMG) climbed 61.73% to IDR 22,400 per share. The large increase in HRUM was mainly due to sales to the Asia-Pacific region, particularly China, Japan, and other Asian countries (www.Sindonews.com, 2021).
d. The Financial Services Authority (OJK) noted that the average daily transaction value of stocks on the Indonesia Stock Exchange (IDX) throughout 2020 fell by 28% to IDR 6.96 trillion compared to IDR 9.67 trillion in 2019. Daily transaction volume also plummeted 49% to 7.39 billion shares from 14.5 billion shares. MNC Securities analyst, Herditya Wicaksana, stated that the trade and various industries sectors experienced the deepest declines due to the coronavirus pandemic, which disrupted exports and imports and weakened the rupiah exchange rate. Chris predicted that transaction values on the IDX would remain low as several problematic mutual funds were halted by the OJK (www.investasi.kontan.co.id, 2020).

The phenomenon of stock price fluctuations motivates researchers to study company value, as stock prices often reflect changes in company value. The rise and fall of stock prices are closely related to signaling theory, which indicates how management signals shareholders about the company's performance and prospects (Dharmayanti & Julianto, 2024). A decline in stock prices typically indicates a decrease in company value due to negative factors, while an increase in stock prices reflects an increase in company value due to positive factors. This helps investors assess the company's prospects based on the signals given by management. Considering the importance of company value, it is necessary to study the factors that can influence it.

One factor that influences company value is Sustainability Reporting. This report helps organizations set goals, measure performance, and manage change to achieve more sustainable operations by disclosing impacts on the environment, society, and the economy (Steinhofel et al., 2019). Sustainability Reporting serves as a bridge between management and stakeholders, providing financial and non-financial information related to environmental, social, and economic performance (Mohamed & Younis, 2023). This report can enhance a company's reputation, financial performance, and long-term investment attractiveness (Philipova, 2020).

Several studies have shown that the disclosure of sustainability reporting is positively related to company value. Linh et al (2022) found that sustainability reporting helps reduce risk and enhance the company's credibility and reputation. Mohamed & Younis (2023) added that this report can improve financial performance and assist investor decision-making by improving internal conditions and increasing employee loyalty. Hardi et al (2023) demonstrated that effective and transparent disclosure can attract

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investors who care about social responsibility and enhance reputation and consumer loyalty. Despite its importance, many companies in Indonesia still lack in disclosing sustainability reporting due to a lack of awareness of its benefits in increasing stakeholder trust (Wiriartha et al., 2022). This motivates researchers to further examine the impact of sustainability reporting on company value.

Another factor that influences company value is Philanthropy Disclosure. Philanthropy, as part of corporate social responsibility (CSR), involves voluntary contributions by a company to social causes, such as financial donations, donations of goods, and volunteer activities (Yang & Babiak, 2023). Philanthropy can strengthen relationships with stakeholders and enhance the company's image and reputation, which in turn can increase company value through rising stock prices (Wu et al., 2020; Monita & Wiratmaja, 2018). Research by Dharmayanti & Julianto (2022) shows that philanthropy disclosure has a positive effect on company value because it enhances the company's image and attracts investors. Monita & Wiratmaja (2018) also found a positive and significant impact of philanthropy disclosure on company value, as such disclosure is seen as good news that boosts the company's reputation and investor interest. However, the costs of philanthropy can reduce the book value of the company's assets, potentially conflicting with the goal of increasing company value (Astuti et al., 2022). This motivates researchers to further explore the impact of philanthropy disclosure on company value.

In this research, managerial ownership is used as a moderating variable to assess the influence of sustainability reporting and philanthropy disclosure on company value. Managerial ownership can either strengthen or weaken this influence because it affects management's incentives and decisions, impacting how the market perceives and values these reporting initiatives. Managerial ownership refers to the proportion of shares owned by management, who are directly involved in the company's decision-making (Utami & Widati, 2022). This ownership can enhance company value by reducing agency problems, where managers are motivated to act in the shareholders' interests (Gao & Han, 2022; Saona et al., 2020). With share ownership, managers are more motivated to support sustainability and transparency initiatives, such as sustainability reporting and philanthropy disclosure, which can increase company value (Ifada et al., 2021).

Several studies have shown that managerial ownership has a positive impact on company value. Research by Alawiyah et al (2022) and Fana & Prena (2021) found that managerial ownership can enhance company performance and stock prices. Dewi & Abundanti (2019) also demonstrated that managerial ownership is positively related to company value because it aligns the interests of management and shareholders, reduces agency conflicts, and improves company performance.

Based on the discussion above, the researcher is interested in exploring how managerial ownership moderates the relationship between sustainability reporting and philanthropy disclosure and company value.

2. Theoretical Background

2.1 Signaling Theory

The signaling theory developed by Ross (1977) emphasizes the importance of information disclosed by companies in influencing external investment decisions. This theory explains how company management, possessing more information, provides signals to investors or shareholders who have less information, in order to reduce information asymmetry. The theory shows how company managers use internal information, such as financial reports and sustainability reports, to communicate with

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external stakeholders, aiming to reduce information asymmetry (Mohamed & Younis, 2023).

2.2 Agency Theory

Agency theory explains the contractual relationship between shareholders (principals) and company management (agents) (Jensen & Meckling, 1976). According to this theory, managerial ownership can reduce agency conflicts between agents and principals, which arise from differing interests. A solution to these conflicts is to align management's interests with those of shareholders, one way being through involving managers in company ownership. Managerial ownership is believed to impact company performance in achieving its goals, specifically increasing company value (Utami & Widati, 2022).

2.3 Company Value

Company value is the amount that a prospective buyer is willing to pay if the company were to be sold. The higher the company value, the greater the wealth of its owners (Ismanto et al., 2023). An increase in a company's stock price indicates a high company value. Therefore, company value can provide welfare to shareholders through rising stock prices (Nguyen, 2020). Company value is measured by Tobin's Q, which reveals how much value the company has created based on its assets (Chen & Lee, 2017). Tobin's Q is measured using the following formula:

$$\textbf{Tobin's Q} = \frac{\textbf{MVE+ D}}{\textbf{TA}}$$

2.4 Sustainability Reporting

Sustainability Reporting reflects the Triple Bottom Line of sustainability, encompassing three main aspects: environmental, social, and economic. This approach emphasizes the balance between these three aspects to achieve holistic sustainability (Friske et al., 2023). The level of sustainability report disclosure is measured by assigning weights to the economic, social, and environmental dimensions. A company is rated (0) if it does not disclose a dimension and (1) if it does disclose it (Mohamed & Younis, 2023). In this study, sustainability reporting is analyzed using the GRI G4 Index, as used by previous researchers (Febriyanti, 2021), with the following formula:

$$\mathbf{SR} = \frac{\mathbf{n}}{\mathbf{k}}$$

2.5 Philanthropy Disclosure

Philanthropy Disclosure is an important aspect of Corporate Social Responsibility (CSR) that involves voluntary charitable contributions by a company to support social causes (Yang & Babiak, 2023). Contributions can include monetary donations, goods, services, or the use of other company resources. The measurement of philanthropy disclosure is done using the logarithm of one plus the total company contributions, such as social donations, which constitute a small fraction of sales. This method reflects the level of company engagement in social activities and their transparency in reporting contributions to stakeholders (Monita & Wiratmaja, 2018). Philanthropy Disclosure is obtained using the following formula (Daromes & Gunawan, 2020):

$$\mathbf{RCG = Log(1 + \frac{Corporate\ Giving}{Sales})x10^3}$$

2.6 Managerial Ownership

Managerial ownership refers to the percentage of shares owned by management and directors (Florackis et al., 2020). This ownership allows managers to control the company and set strategies and policies. Additionally, managers also function as shareholders (Ifada et al., 2021). Managerial ownership is measured by comparing the total direct shares owned by executive directors with the total outstanding common shares at the end of the year (Haron & Otsman, 2021). The calculation formula is:

$$\mathbf{KM} = \frac{\textbf{Total Shares Owned by Management}}{\textbf{Total Outstanding Shares}} \mathbf{x\ 100\%}$$

2.7 Hypothesis Formulation

The variables that will be tested in this research will be developed in a conceptual framework which can be described as follows:

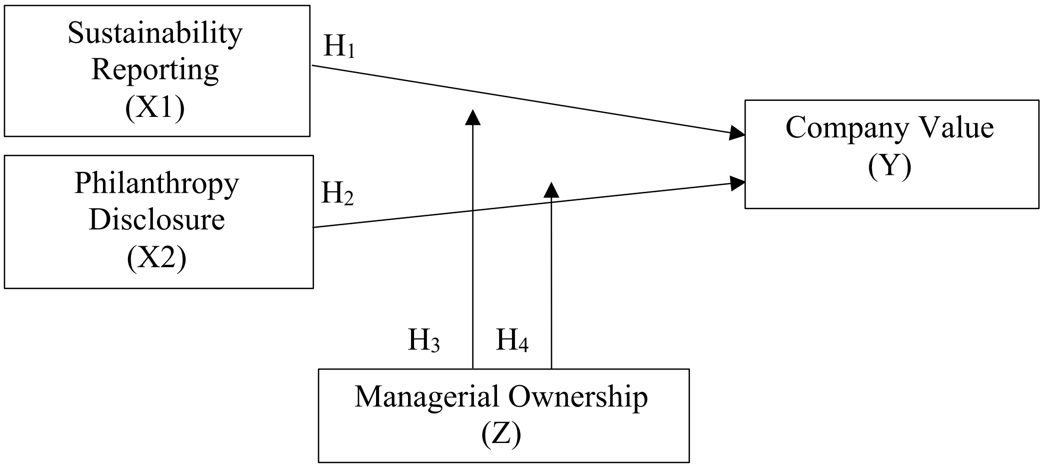

Figure 1. Conceptual Frmaework

H1: Allegedly, Sustainability Reporting affects Company Value.
H2: Allegedly, Philanthropy Disclosure affects Company Value.
H3: Allegedly, Managerial Ownership moderates the relationship between Sustainability Reporting andCompany Value
H4: Allegedly, Managerial Ownership moderates the relationship between Philanthropy Disclosure and Company Value.

3. Methods

The type of data used in this study is secondary data, consisting of annual reports and sustainability reports from companies listed on the Indonesia Stock Exchange for the period 2020-2022. Data is obtained from www.idx.go.id and the official websites of the respective companies. This study employs purposive sampling to determine the sample. The sample consists of 62 companies over 3 years, resulting in a total of 186 observation data points.

The criteria used in selecting samples for this study are:

a. Companies listed on the Indonesia Stock Exchange (IDX) during the period 2020-2022.
b. Companies that issued complete Annual Reports and sustainability reports for the period 2020-2022.
c. Companies with managerial ownership during the period 2020-2022.
d. Companies that disclosed philanthropy values during the period 2020-2022.

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The collected data is then analyzed using descriptive statistics, panel data quality tests, moderation regression analysis, as well as classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation) and hypothesis tests (t-statistic test, f-statistic test, and coefficient of determination). The data analysis in this study will utilize computer technology, specifically Econometric Views (Eviews) version 10 software.

Data in this study will be tested using two types of regression methods: multiple linear regression and Moderated Regression Analysis (MRA). The use of these two regression methods aims to examine the effect of independent variables on the dependent variable moderated by the moderating variable with interval or ratio scale in linear equations. The regression model used is as follows:

First Regression Model Equation:

$$Yit = \beta_0 + \beta_1 X_1 it + \beta_2 X_2 it + \beta_3 Z_3 it + \varepsilon$$

Second Regression Model Equation:

$$Yit = \beta_0 + \beta_1 X_1 it + \beta_2 X_2 it + \beta_3 X_1 it * Zit + \beta_4 X_2 it * Zit + \varepsilon$$

Explanation:

Yit : Company Value
β_0 : Constant
$\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$: Regression Coefficient
X_1it : Sustainability Reporting
X_2it : Philanthropy Disclosure
Zit : Managerial Ownership

4. Results and Discussion

4.1 Descriptive Statistics

The purpose of descriptive statistics is to provide an overview of the characteristics of the research variables, which include Managerial Ownership, Sustainability Reporting, and Philanthropy Disclosure, in relation to Company Value.

Table 1. Descriptive Statistics Result

	NP	SR	FD	KM
Mean	1.396822	0.561163	1.041127	0.846503
Median	1.028950	0.615400	0.543400	0.183800
Maximum	6.682800	0.934100	15.05800	9.534900
Minimum	0.053600	0.011000	0.009600	0.000000
Std. Dev.	1.022361	0.295353	1.885340	1.685515
Skewness	2.643324	-0.114349	4.458525	3.452510
Kurtosis	10.87883	1.484900	26.71426	15.67486
Observations	186	186	186	186

Source: Data processed by researchers with E-Views 10, 2024

From the results of descriptive statistics, the analysis is as follows:

a. Company Value Variable: The mean is 1.396822, indicating that the market value of companies in the sample is, on average, approximately 1.4 times higher than their book value. The median Company Value is 1.028950, which is lower than the mean, suggesting that most companies have a Tobin's Q below the average, reflecting variation in market valuation compared to book value. The standard deviation is 1.022361, showing significant variation in company market valuations. The minimum Tobin's Q value is 0.053600 from PT. Bali Towerindo Sentra Tbk. in 2022, while the

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maximum value is 6.682800 from PT. Mitra Keluarga Karyasehat Tbk. in the same year.

b. Sustainability Reporting Variable: The mean is 0.561163, indicating that companies in the sample generally disclose about 56% of the sustainability aspects measured by GRI G4. The median value of 0.615400 means that half of the companies disclose more than 61.54% of the GRI G4 indicators. The standard deviation is 0.295353, showing significant variation in sustainability disclosure levels among companies, with some companies showing very high and very low disclosure levels. The minimum value is 0.011000 from PT. Ciputra Development Tbk. in 2022, while the maximum value is 0.934100 from PT. Bank Central Asia Tbk. in 2020.

c. Philanthropy Disclosure Variable: The mean is 1.041127, indicating that companies in the sample donate about 1.04% of their sales to philanthropic activities on average. The median value is 0.543400, showing that most companies donate relatively small amounts compared to some companies that make much larger donations. The standard deviation is 1.885340, reflecting significant variation in philanthropy contribution levels among companies. The minimum value is 0.009600 from PT. Bank Raya Indonesia Tbk. in 2020, while the maximum value is 15.05800 from PT. BFI Finance Indonesia Tbk. in 2021.

d. Managerial Ownership Variable: The mean value is 0.846503, indicating that the average managerial ownership in the sample companies is about 0.85%, or less than 1% of the company's shares. The median value is 0.183800, meaning that half of the companies have managerial ownership of less than or equal to 0.18%, while the other half has more than 0.18%. The lower median compared to the mean suggests that most companies have relatively small managerial ownership. The standard deviation is 1.685515, showing significant variation in managerial ownership levels. The minimum value is 0.0000 from PT. Aneka Tambang Tbk. in 2022, while the maximum value is 9.534900 from PT. Merdeka Copper Gold Tbk. in 2021.

4.2 Panel Data Regression Estimation

Table 2. Conclusion of Equation Model

Uji	Keterangan	Hasil
Uji Chow	CEM vs FEM	Fixed effect model (FEM)
Uji Hausman	FEM vs REM	Fixed effect model (FEM)

Source: Data processed by researchers, 2024

From the two tests conducted to select the model, it consistently shows that the regression model used for hypothesis testing is the Fixed Effect Model (FEM).

4.3 Classic Assumption Test

4.3.1 Normality Test

The normality test is used to determine whether the regression model has a normal distribution (distribution) of data or not. The following are the results of the normality test in this study:

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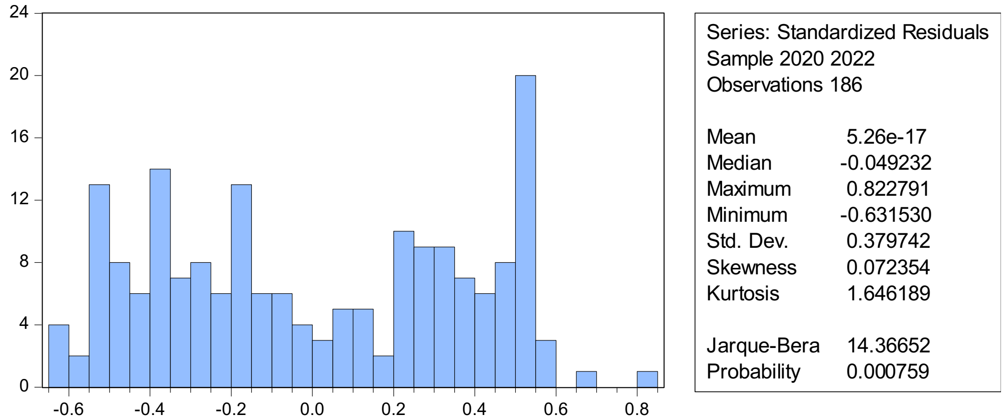

Figure 2. Normality Test Results

Source: Data processed by researchers with E-Views 10, 2024

In Figure 4.1, it can be observed that the probability value from the Jarque-Bera Test is 0.000759, which is less than 0.05, indicating that the distribution for companies listed on the IDX for the period 2018-2022 is not normal. This may occur because the data is varied, consisting of 62 companies over 3 years, resulting in 186 observations. Given this fact, the possibility of a non-normal distribution cannot be ignored. This is supported by the Central Limit Theorem, which explains that for studies with more than 30 observations, the assumption of normality can be disregarded (Gujarati, 2015).

4.3.2 Multicollinearity Test

In this research, symptoms of multicollinearity can be seen from the correlation values between variables contained in the correlation matrix. If there is a correlation between independent variables or a value inflation factors (VIF) value below 10, it is stated that there are no symptoms of multicollinearity.

Table 3. Multicollinearity Test

	Coefficient	Uncentered	Centered
Variable	Variance	VIF	VIF
C	0.001394	3.216294	NA
SR	0.000126	1.347186	1.031064
FD	0.000455	3.136106	1.090142
KM	0.000172	1.401750	1.118188

Source: Data processed by researchers with E-Views 10, 2024

Based on table 3, it can be seen that the value inflation factos (VIF) test model for all independent variables shows numbers 1.031064, 1.090142 and 1.118188 or below 10, thus it can be concluded that there are no symptoms of multicollinearity between the independent variables.

4.3.3 Heteroscedasticity Test

Table 4. Heteroscedasticity Test

F-statistic	1.335228	Prob. F(9,176)	0.2217
Obs*R-squared	11.88813	Prob. Chi-Square(9)	0.2197
Scaled explained SS	3.597373	Prob. Chi-Square(9)	0.9359

Source: Data processed by researchers with E-Views 10, 2024

From the results in Table 4, it is evident that the White heteroskedasticity test shows a probability value for Obs*R-squared of 0.2197, which is greater than the significance level of 0.05. This indicates that the regression model does not exhibit heteroskedasticity.

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4.3.4 Autocorrelation Test

Autocorrelation in this study was tested using the Durbin-Watson table as follows:

Table 5. Autocorrelation Test

R-squared	0.855357	Mean dependent var	1.396822
Adjusted R-squared	0.778851	S.D. dependent var	1.022361
S.E. of regression	0.480780	Akaike info criterion	1.642154
Sum squared resid	27.96905	Schwarz criterion	2.769431
Log likelihood	-87.72028	Hannan-Quinn criter.	2.098969
F-statistic	11.18034	Durbin-Watson stat	2.195603
Prob(F-statistic)	0.000000		

Source: Data processed by researchers with E-Views 10, 2024

Based on Table 5, the calculated Durbin-Watson (DW) value is 2.195603. To determine the presence of autocorrelation, this value is compared with the critical values from the Durbin-Watson table at a 5% significance level (0.05). Using the formula (k; N) where the number of independent variables (k = 2) and the sample size (N = 186), the obtained values are (d_L = 1.7384) and (d_U = 1.7818). Therefore, since the DW value (2.195603) is greater than (d_L) (1.7384) and less than (4 - d_U) (2.2182), it can be concluded that there is no problem or indication of autocorrelation in this regression model.

4.4 Panel Data Regression Analysis

4.4.1 Multiple Linear Regression Analysis

The results of the Fixed Effects Model panel data regression before interaction on the moderating variable or analysis of the regression equation in equation I are displayed in the following table:

Table 6. Results of Regression Analysis Equation I

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.310609	0.039036	33.57453	0.0000
SR	0.182111	0.042820	4.252942	0.0000
FD	-0.023582	0.009502	-2.481805	0.0144
KM	0.251575	0.031578	7.966655	0.0000

Source: Data processed by researchers with E-Views 10, 2024

$$NP = 1.310609 + 0.182111\ (SR) - 0.023582\ (FD) + 0.251575\ (KM)$$

Based on Table 6 above, the explanations are as follows:

1. The constant value of 1.3106090 indicates that the company value, as the dependent variable, is 1.3106090, assuming that the coefficients for sustainability reporting, philanthropy disclosure as independent variables, and managerial ownership as a moderating variable are zero or constant.
2. The regression coefficient for sustainability reporting is 0.182111, indicating that a 1-unit increase in the sustainability reporting variable will increase the company value by 0.182111, assuming other variables remain constant.
3. The regression coefficient for philanthropy disclosure is -0.023582, meaning that a 1-unit increase in the philanthropy disclosure variable will decrease the company value by -0.023582, and vice versa, assuming other variables remain constant.
4. The regression coefficient for managerial ownership is 0.251575, indicating that a 1-unit increase in managerial ownership will increase the company value by 0.251575, and vice versa, assuming other variables remain constant.

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4.4.2 Multiple Linear Regression Analysis

The results of the Random Effects Model panel data regression after there is interaction with the moderating variable or analysis of the regression equation in equation II are displayed in the following table:

Table 7. Results of Regression Analysis Equation II

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.325599	0.057866	22.90808	0.0000
SR	-0.177014	0.062098	-2.850556	0.0051
FD	-0.085766	0.024399	-3.515085	0.0006
SR*KM	0.051955	0.064315	0.807826	0.4208
FD*KM	0.053064	0.015656	3.389421	0.0010

Source: Data processed by researchers with E-Views 10, 2024

$$NP = 1.325599 - 0.177014 (SR) - 0.085766 (FD) + 0.051955 (SR*KM) + 0.053064 (FD*KM) + \varepsilon$$

Based on Table 7 above, the explanations are as follows:

1. The regression coefficient for the interaction between managerial ownership and sustainability reporting shows a p-value of 0.4205, which is greater than the significance level of 0.05. This indicates that the managerial ownership variable does not moderate the relationship between sustainability reporting and company value.
2. The regression coefficient for the interaction between managerial ownership and philanthropy disclosure shows a p-value of 0.0010, which is less than the significance level of 0.05. This indicates that the managerial ownership variable moderates or strengthens the relationship between philanthropy disclosure and company value.

4.5 Hypothesis Test

4.5.1 F Test Result

To find out whether all the independent variables included in the model have a joint influence on the dependent variable by using this test.

Table 8. F Test Results

R-squared	0.855357	Mean dependent var	1.396822
Adjusted R-squared	0.778851	S.D. dependent var	1.022361
S.E. of regression	0.480780	Akaike info criterion	1.642154
Sum squared resid	27.96905	Schwarz criterion	2.769431
Log likelihood	-87.72028	Hannan-Quinn criter.	2.098969
F-statistic	11.18034	Durbin-Watson stat	2.195603
Prob(F-statistic)	0.000000		

Source: Data processed by researchers with E-Views 10, 2024

Based on the results from Table 8, the significance F value is 0.0000, which is less than the significance level α. This indicates that the independent variables, namely sustainability reporting and philanthropy disclosure, jointly have a significant effect on company value.

5.5.2 T Test Result

Decision making to answer the research hypothesis is carried out by comparing the probabilities with the degrees of freedom used. The results of the hypothesis test are displayed in the following t test:

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Table 9. T Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.310609	0.039036	33.57453	0.0000
SR	0.182111	0.042820	4.252942	0.0000
FD	-0.023582	0.009502	-2.481805	0.0144
KM	0.251575	0.031578	7.966655	0.0000

Source: Data processed by researchers with E-Views 10, 2024

The results from the t-test in Table 9 are as follows:

1. The probability value for sustainability reporting is 0.0000, which is less than 0.05. Therefore, it can be concluded that there is a positive effect of the sustainability reporting variable on company value.
2. The probability value for philanthropy disclosure is 0.0144, which is less than 0.05, with a coefficient of -0.023582. Therefore, it can be concluded that there is a negative effect of the philanthropy disclosure variable on company value.

4.5.3 Coefficient of Determination

In this regression model, its performance is measured by looking at the value of Adjusted R-Square.

Table 10. Coefficient of Determination

R-squared	0.855357	Mean dependent var	1.396822
Adjusted R-squared	0.778851	S.D. dependent var	1.022361
S.E. of regression	0.480780	Akaike info criterion	1.642154
Sum squared resid	27.96905	Schwarz criterion	2.769431
Log likelihood	-87.72028	Hannan-Quinn criter.	2.098969
F-statistic	11.18034	Durbin-Watson stat	2.195603
Prob(F-statistic)	0.000000		

Source: Data processed by researchers with E-Views 10, 2024

The coefficient of determination (Adjusted R-Squared) is used to measure how well the independent variables explain the dependent variable in the regression model. In Table 4.14, the Adjusted R-Squared value is 0.778851, or approximately 77%. This result indicates that about 77% of the variation in company value can be explained by the variables sustainability reporting and philanthropy disclosure. The remaining approximately 23% can be attributed to factors beyond the variables studied in this research.

4.6 Discussion

The research findings indicate that sustainability reporting has an effect on company value with a probability of 0.0000, which is less than 0.05, thus H1 is accepted. This study aligns with signaling theory, which suggests that sustainability reporting can reduce information asymmetry and provide positive signals to investors. These findings are supported by previous research (Linh et al., 2022; Mohamed & Younis, 2023) which states that sustainability reporting significantly affects company value. Data shows that the average sustainability reporting disclosure is 0.561163, indicating a fairly good level of sustainability disclosure, around 56%. This means that companies in the sample disclose more than 50% of the sustainability aspects measured by GRI G4, which provides relevant information that helps investors make investment decisions.

The research findings indicate that philanthropy disclosure has a negative effect on company value, with a probability of 0.0144, which is less than 0.05, and a regression

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coefficient of -0.023582, thus H2 is accepted. This result aligns with signaling theory, where the information conveyed by the company can influence investor decisions. Philanthropy disclosure may be perceived as a negative signal because investors might view it as an expenditure not aligned with efforts to maximize company value. Previous research by Daromes & Gunawan (2020) also shows that philanthropy can negatively impact company value. The average philanthropy disclosure value is 1.041127, indicating that companies, on average, donate about 1.04% of their sales to philanthropic activities. Although this demonstrates social commitment, if not well managed and communicated, it could lead to negative perceptions from investors. Companies need to ensure that their philanthropic activities align with business strategies and provide clear added value.

The research also shows that managerial ownership does not moderate the relationship between sustainability reporting and company value, with a probability of 0.4208, which is greater than 0.05, thus H3 is rejected. This result contradicts agency theory, which states that managerial ownership should align the interests of managers with those of shareholders and reduce agency conflicts, thereby enhancing company value. The lack of deep understanding of sustainability reporting by management or differing business priorities may result in management not supporting sustainability reporting to enhance company value. This is evident from the fact that many companies listed on the IDX have yet to disclose sustainability reporting.

Finally, the research indicates that managerial ownership moderates or strengthens the relationship between philanthropy disclosure and company value, with a probability of 0.0010, which is less than 0.05, and a regression coefficient of 0.053064, thus H4 is accepted. This result is consistent with agency theory, which asserts that managerial ownership can resolve conflicts between agents and shareholders by aligning their interests. Managerial ownership encourages managers to support transparent and consistent philanthropy disclosure practices in line with the company's strategy to indirectly enhance company value through corporate image and build trust with the public and investors.

5. Conclusion

After analyzing the research data on how managerial ownership moderates the relationship between sustainability reporting and philanthropy disclosure on the value of companies listed on the Indonesia Stock Exchange for the period 2020-2022, a sample of 62 companies was obtained. The following are the conclusions from the research results:

a. The results of this study find that sustainability reporting has a positive effect on company value. This means that sustainability reporting plays a crucial role in enhancing company value through increased transparency, accountability, and strong relationships with all stakeholders.
b. The study finds that philanthropy disclosure has a negative effect on company value. This indicates that while philanthropy disclosure can provide long-term benefits indirectly through improved reputation and stakeholder relationships, it may be perceived as a negative signal if not communicated effectively.
c. The study finds that managerial ownership does not moderate the relationship between sustainability reporting and company value. This implies that a lack of deep understanding of sustainability reporting and inconsistent implementation may be factors contributing to managerial ownership not moderating the relationship between sustainability reporting and company value, as evidenced by the low level of sustainability reporting disclosure among companies listed on the IDX.

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d. The study finds that managerial ownership can strengthen the relationship between philanthropy disclosure and company value. This means that management with ownership stakes in the company tends to support philanthropy disclosure practices and ensures they are conducted transparently. This can help enhance company value through improved corporate image and reputation among stakeholders, especially investors.

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