

THE EFFECT OF OWNERSHIP STRUCTURE AND SUSTAINABILITY REPORT DISCLOSURE TOWARD COMPANY VALUE WITH FINANCIAL PERFORMANCE AS INTERVENING VARIABLE

PENGARUH STRUKTUR KEPEMILIKAN DAN PENGUNGKAPAN LAPORAN BERKELANJUTAN TERHADAP NILAI PERUSAHAAN DENGAN KINERJA KEUANGAN SEBAGAI VARIABEL INTERVENING

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Abstract : *The Effect Of Ownership Structure And Sustainability Report Disclosure Toward Company Value With Financial Performance As Intervening Variable.* This research aims to know the effect of Ownership Structure and Sustainability Report Disclosure toward Company Value with Financial Performance as Intervening Variable on companies that publish Sustainability Report during 2013-2016. Research design was a causative research. The data population taken from companies publish Sustainability Report and listed in Indonesia Stock Exchange (IDX) during 2013-2016. Sampling method used in this research is purposive sampling. There were 10 companies that fulfilled the sample criterias. So, the data sample in this research were 40. Analysis techniques consisted of multiple regression analysis and path analysis. The result of this research showed that (1) Managerial Ownership directly effects Company Value, (2) Institutional Ownership does not directly effect on Company Value, (3) Sustainability Report Disclosure does not directly effect on Company Value, (4) Managerial Ownership indirectly effects on Company Value with Financial Performance as an intervening variable, (5) Institutional Ownership does not indirectly effect Company Value with Financial Performance as an intervening variable, (6) Sustainability Report Disclosure indirectly effects on Company Value with Financial Performance as an intervening variable.

Keywords: *Managerial Ownerhsip, Institutional Ownership, Sustainability Report, Financial Performance, and Company Value*

Abstrak : **Pengaruh Struktur Kepemilikan Dan Pengungkapan Laporan Berkelanjutan Terhadap Nilai Perusahaan Dengan Kinerja Keuangan Sebagai Variabel Intervening.** *Tujuan penelitian ini adalah untuk mengetahui Pengaruh Struktur Kepemilikan dan Pengungkapan Laporan Berkelanjutan terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening pada perusahaan yang menerbitkan Laporan Berkelanjutan tahun 2013-2016. Desain penelitian ini termasuk dalam penelitian kausalitatif. Populasi penelitian ini adalah perusahaan yang menerbitkan Laporan Berkelanjutan dan terdaftar di Bursa Efek Indonesia (BEI) tahun 2013-2016. Penelitian sampel melalui purposive sampling. Terdapat 10 perusahaan yang memenuhi kriteria sebagai sampel penelitian sehingga data penelitian berjumlah 40. Teknik analisis yang digunakan adalah regresi berganda dan analisis jalur. Hasil penelitian ini menunjukkan bahwa (1) Kepemilikan Manajerial berpengaruh langsung terhadap Nilai Perusahaan, (2) Kepemilikan Institusional tidak berpengaruh langsung terhadap Nilai Perusahaan, (3) Pengungkapan Laporan Berkelanjutan tidak berpengaruh langsung terhadap Nilai Perusahaan, (4) Kepemilikan Manajerial berpengaruh tidak langsung terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening, (5) Kepemilikan Institusional tidak berpengaruh tidak langsung terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening, (6) Pengungkapan Laporan Berkelanjutan berpengaruh tidak langsung terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai variabel intervening*

Kata kunci: *Kepemillikan Manajerial, Kepemilikan Institusional, Laporan Berkelanjutan, Kinerja Keuangan, dan Nilai Perusahaan*

INTRODUCTION

The companies have goals in their business operations. Companies goals are short-term goal and long-term goal. A short-term goal is to generate profit for a single period of time, while a long-term goal is to maximize company value (Wahyudi and Pawestri, 2006). Based on Agency Theory, in the process of maximize company value will arise a conflict of interest between manager and shareholders named agency conflict. The conflict can degrade company value because managers have self-interest. Shareholders do not like it because it can add cost to the companies and can lead to a decrease in company profit (Jensen and Meckling, 1976). Agency problems can be effected by ownership structures (i.e managerial ownership and institutional ownership). Ownership structure can be effected company course which ultimately effects company performance in achieve company goal of maximize company value (Wahyudi and Pawestri, 2006).

An effort to increase company value can also be done by increasing financial performance. Prasetyorini (2013) stated that good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. An increased of share demand will cause company value increase. Financial performance reflects the effectiveness of company operational and used to assess the

successfulness of company (such as growth) that is related to company value.

In an effort to increase the company value, the companies often involve environment and social. According to Sutami et al (2011), many companies are increasing their profits by exploiting natural resources and human resources. On the other side, these efforts can be caused some problems. It happens because when the companies profit is increased, there will be damaged that also caused the increasing tax level and costs for cleanliness, health, and environmental sustainability.

The exploitation activities undertaken by the companies led to increase demands on the companies to pay more attention on environmental and social responsibility to be accepted by society. This is in accordance with Legitimacy Theory that companies continually strive to ensure that they operate accordingly the framework and norms that are existed in society or company environment. They also strive to ensure that their activities are received by society as legitimate (Deegan, 2004).

The public awareness of the companies activity impact also resulted in pressure and demands on the companies, so they can disclose their activities in the accountability report to the society as stakeholders. Based on Stakeholder Theory, the companies must maintain relationships with their stakeholders, especially stakeholders who have power over the availability of

resources used for companies operational activities (Chariri and Ghozali, 2007). One of the companies strategies to maintain relationships with stakeholders is to disclose Sustainability Reports that inform economic, social, and environmental performance as corporate responsibility to stakeholders in the form of reports.

Aside from being a form of accountability to stakeholders, Sustainability Report can serve as a tool to convince shareholders and potential investors. This is because of the decrease confidence in the community after the Enron case, December 2001. Owen (2005) says that Enron's case in America has caused companies to pay more attention to sustainability report and Corporate Social Responsibility. This further reinforces Wallman's (1995) opinion that the information is known so far such as the income statement, balance sheet, cash flow statement, and notes to the financial statement decreased its usefulness for shareholders. Therefore, in accordance with the Signalling Theory, the companies drive to provide information to external parties, the companies must make a report that provides information to reduce the asymmetry information, both financial and non-financial information.

In Indonesia has been described in the Statement of Financial Accounting Standards (SFAS) No.1 paragraph nine, "Companies can also present additional

reports such as environmental reports and value added statements, especially for industries that environmental has an important role and for the industry that considers employees have an important role". From these statements, it reflects that Sustainability Report is still voluntary for companies that want to publish the report.

Sustainability Report is increasingly become a trend and a need for progressive companies to inform their economic, social and environmental performance as well as to all stakeholders of the companies (Chariri, 2007). A survey conducted by Klynveld, Peat, Marwick, Goerdeler (KPMG) shows the growth of companies that publish environmental, social responsibility, and sustainability reports are significant (www.industryweek.com).

The growth of companies that publish environmental, social responsibility, and sustainability reports trigger the emergence of various guidelines or guidelines provided by governments and international agencies to create guidelines on Sustainability Reporting (Basalamah et al., 2005). One of the institutions that make the guidelines is Global Reporting Initiative (GRI). GRI is a non-profit organization that promotes economic sustainability. GRI produces a commonly used standard of companies in the world for sustainability report such as Environmental Social Governance (ESG) Reporting, Triple Bottom Line (TBL) Reporting, and Corporate Social

Responsibilities (CSR) Reporting. GRI strives to continue developing the "framework for sustainability reporting", and the G4 Guidelines are officially released in May 2013 (www.globalreporting.com). However, many companies have not disclosed the complete sustainability report that contains of 91 items. Research on the implementation of Sustainability Report based on GRI has not much been done in Indonesia. This is because of the very limited samples (companies that disclose Sustainability Report).

Several types of research have been conducted to examine how the effect of Sustainability Report Disclosure on companies performance. However, previous researches have various results. In the research of Reddy and Gordon (2010) conducted on companies in Australia and New Zealand, there are differences in outcomes between the two countries. Research on companies in Australia, Sustainability Report has a significant effect on Financial Performance. In contrast, the results of research on companies in New Zealand there is no significant effect between Sustainability Report on Financial Performance.

There are several differences between this and previous research. First, this research examines the effect of Sustainability Report Disclosure on Financial Performance proxied with Return

on Assets (ROA) as intervening variable and Companies Value proxied by Price Book Value (PBV). Second, the data and samples used in this research are companies that publish Sustainability Report during 2013-2016. Use in 2013 because the G4 Guidelines are officially released in May 2013. This research refers to previous researches by examine the effect of Ownership Structure on Company Value and Sustainability Report Disclosure on Financial Performance. Ownership Structure is proxied by Managerial Ownership and Institutional Ownership, Sustainability Report is proxied by Sustainability Report Disclosure Index (SRDI), Financial Performance is proxied by Return on Assets (ROA), and Companies Value is proxied by Price Book Value (PBV).

RESEARCH METHODS

Research Design

Based on its approach, this research is included in ex-post facto research that is research on events that occurred in the past to trace the factors that caused the event. Based on the type of data used, this research is a quantitative research because it uses data in the form of numbers. Based on the problem characteristics, the research is categorized in causative research. Causative research is a research that aims to determine the causal relationship between variables through hypotheses test. This research

examines the effect of Ownership Structure and Sustainability Report Disclosure on Company Value with Financial Performance as an intervening variable.

Place and Time of Research

This research was conducted use secondary data obtained from annual reports source from ww.idx.co.id and other relevant sources. The research was conducted from September 2017 until January 2018.

Populations and Samples of Research

The populations of this research are 39 companies that publish a sustainability report during 2013 until 2016 and listed in IDX. The sampling technique in this research use purposive sampling technique and there are 10 companies fulfil the criterion.

Operational Variable Definition

Company Value

Company Value is proxied by Price Book Value (PBV). This ratio of PBV can be calculated use the following formula:

$$PBV = \frac{\text{Market price per share}}{\text{Book value per share}} \times 100\%$$

Financial Performance

Financial performance is proxied by Return on Assets (ROA). The formula for calculate ROA is as follows (Ang, 2007)

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Managerial Ownership

Managerial Ownership is measured by percentage of shares owned by managers, commissioners, boards of directors or parties directly visible in decision making. The formula for calculate Managerial Ownership is as follows (Wahidahwati, 2002)

$$MNJR = \frac{\Sigma \text{Shares owned by managers, commissioners, and directors}}{\Sigma \text{shares outstanding}} \times 100\%$$

Institutional Ownership

Institutional Ownership is measured by percentage of shares own by governments, financial institutions, institutional entities, foreign institutions, trusts and other institutions at the end of the year (Anindhita, 2010: 18). The formula for calculate Institutional Ownership is as follows:

$$INST = \frac{\Sigma \text{Shares owned by the institution}}{\Sigma \text{shares outstanding}} \times 100\%$$

Sustainability Report Disclosure

The Sustainability Report Disclosure Index (SRDI) is measured by the number of disclosures required in the GRI G4 Guidelines covering 91 disclosure items. The formula for the Sustainability Report Disclosure Index is (Ria and Josua, 2014):

$$SRDI = \frac{n}{k}$$

Data Collection Technique

This research use secondary data taken from the company annual report and

sustainability report that fulfill the sample criteria. Data obtained through the official website of Indonesia Stock Exchange (IDX) is www.idx.co.id and the website of each company. Library research or literature through textbooks, scientific journals, articles, and other written sources relate to the information required and used as a source of data collection. Data collection techniques used are documentation method to collect annual report and sustainability report.

Data Analysis Technique

The data analysis techniques were descriptive statical analysis, classic assumption test, path analysis, and sobel test.

RESULT AND DISCUSSION

Descriptive Statistics Analysis

Company Value

The Company Value ranges from 0,97-4,78 with the mean value is 2,43425, and the standard deviation is 0,9872466. The mean value is 2,43425 means the average companies are valued at a market price of 2,43425 times the actual price. The company that has the lowest Company Value in this research is PT. Bank Pembangunan Daerah Jawa Timur in 2013 while the company with the highest Company Value is PT. Total Bangun Persada in 2014.

Financial Performance

The Financial Performance ranges from 0,02-0,186, the mean value is 0,070225, and the standard deviation is 0,0398359. The mean value is 0,070225 means for every Rp 1 asset used, the companies are able to generate Rp 0,070225 net profit or 7% net profit from total assets used. The company that has the lowest Financial Performance in this research is PT. Bank Negara Indonesia in 2015, while the company that has the highest Financial Performance is PT. Perusahaan Gas Negara in 2013.

Managerial Ownership

The amount of Managerial Ownership ranges from 0,0000003-0,0182501, the mean value is 0,002915932, and the standard deviation is 0,0055394071. The mean value is 0,002915932 means the average shares of the companies owned by managers, commissioners, and directors are 0,2915932% of the total outstanding shares. The company that has the lowest Managerial Ownership in this research is PT. Telekomunikasi Indonesia in 2013 and 2014 while the company that has the highest Managerial Ownership is PT. Total Bangun Persada in 2013 and 2014.

Institutional Ownership

The amount of Institutional Ownership ranges from 0,07-0,81, the mean value is 0,546, and the standard deviation is 0,1927906. The mean value is 0,546 means

the average company shares owned by the institution are 54,6% of the total outstanding shares. The company that has the lowest Institutional Ownership of this research is PT. Total Bangun Persada in 2013, while the company that has the highest Institutional Ownership is PT. Bank Pembangunan Daerah Jawa Timur during 2013-2016.

Sustainability Report Disclosure

The Sustainability Report Disclosure ranges from 0,09-0,97, the mean value is 0,333250, and standard deviation is 0,1678887. The mean value is 0,333250 means the average companies disclose a sustainability report item is 33,325% of the 91 items should be disclosed. The company that has the lowest Sustainability Report Disclosure in this research is PT. Total Bangun Persada in 2013 while the company that has the highest Sustainability Report Disclosure is PT. Tambang Batubara Bukit Asam in 2015.

Classic Assumption Test Results of Substructure Equation 1

Substructure equation 1:

$$Y_1 = P Y_1X_1 + P Y_1X_2 + P Y_1X_3 + \epsilon_1$$

Normality Test

Based on the result of normality test, it shows the Asymp Sig value is 0,200 (> 0,05) which is higher than the 0,05 significance (0,200 > 0,05). So, it can be concluded the residual data in this research are normally distributed.

Table 1. The Normality Test Result of Substructure Equation I

N	40
Test Statistic	.111
Asymp. Sig. (2-tailed)	.200 ^{c,d}

Multicollinearity Test

Based on the multicollinearity test result, it shows the overall Tolerance of Managerial Ownership (MNJR), Institutional Ownership (INST), and Sustainability Report Disclosure (SRDI) values above 0,10 (> 0,10). The VIF (Variance Inflation Factor) calculation also shows the overall value of Managerial Ownership (MNJR), Institutional Ownership (INST), and Disclosure Sustainability Report (SRDI) under 10 (≤ 10). It can be concluded that there is no multicollinearity interference in the model of substructure equation 1.

Table 2. The Multicollinearity Test Result of Substructure Equation I

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
MNJR	.785	1.275
INST	.775	1.290
SRDI	.985	1.015

Autocorrelation Test

Based on the autocorrelation test result, it shows the Durbin-Watson value is 1,669, dU= 1,6589, and 4-dU= 2,3411. The Durbin-Watson value of 1.669 is between (1.6589 - 2.3411). Thus, the model of

substructure equation 1 is free of autocorrelation problem.

Table 3. The Autocorrelation Test Result of Substructure Equation I

Model Summary	Value
k;N	40
dU	1,6589
4-dU	2,3411
Durbin-Watson	1,669

Heteroscedasticity Test

Based on the result of heteroscedasticity test through Glejser test, it shows the significance value of each independent variable is higher than 0,05 (> 5%). Thus it can conclude the model of substructure equation 1 is free of heteroscedasticity interference.

Table 4. The Heteroscedasticity Test Result of Substructure Equation I

Model	T	Sig.
(Constant)	.392	.697
MNJR	-.254	.801
INST	-.221	.826
SRDI	-1.857	.072

Classic Assumption Test Results of Substructure Equation 2

Substructure equation 2:

$$Y_2 = P Y_2X_1 + P Y_2X_2 + P Y_2X_3 + P Y_2Y_1 + \epsilon_2$$

Normality Test

Based on the result of normality test, it shows the Asymp Sig value is 0,146 (> 0,05) which is higher than the 0,05 significance (0,146 > 0,05). So, it can be

concluded the residual data in this research are normally distributed.

Table 5. The Normality Test Result of Substructure Equation II

N	40
Test Statistic	.121
Asymp. Sig. (2-tailed)	.146 ^{c,d}

Multicollinearity Test

Based on the multicollinearity test result, it shows the overall Tolerance of Managerial Ownership (MNJR), Institutional Ownership (INST), Sustainability Report Disclosure (SRDI), and Financial Performance (ROA) values above 0,10 (> 0,10). The VIF (Variance Inflation Factor) calculation also shows the overall value of Managerial Ownership (MNJR), Institutional Ownership (INST), Disclosure Sustainability Report (SRDI), and Financial Performance (ROA) under 10 (≤ 10). It can be concluded that there is no multicollinearity interference in the model of substructure equation 2.

Table 6. The Multicollinearity Test Result of Substructure Equation II

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
MNJR	.605	1.653
INST	.671	1.490
SRDI	.764	1.310
ROA	.628	1.594

Autocorrelation Test

Based on the result of the autocorrelation test, it shows a Durbin-Watson value of 1,981, the value $dU = 1.7209$ and $4-dU = 2,2791$. Thus, the model of substructure equation 2 is free of autocorrelation problem.

Table 7. The Autocorrelation Test Result of Substructure Equation II

Model Summary	Value
k;N	40
dU	1,7209
4-dU	2,2791
Durbin-Watson	1,981

Heteroscedasticity Test

Based on table 13, the result of heteroscedasticity test shows the significance value of each independent variable is higher than 0,05 (> 5%). Thus it can be concluded the model of substructure equation 1 used in this research is free of heteroscedasticity interference.

Table 8. The Heteroscedascity Test Result of Substructure Equation II

Model	T	Sig.
(Constant)	.2111	.042
MNJR	.945	.351
INST	.335	.739
SRDI	.841	.406
ROA	.698	.490

Hypotheses Test

First Hypothesis Test

Table 9. The Result of First Hypothesis Test

Dependent Variable: PBV				
Independent Variable	B	Std Error	Beta	Sig
MNJR	0,055	0,023	0,375	0,023

The first hypotheses is Managerial Ownership directly effects on Company Value. The value of B regression coefficient value is 0,055 indicates the effect of Managerial Ownership on Company Value is positive. The significance probability value of 0,023 indicates a value lower than the specified significance value of 0,05 ($0,023 < 0,05$). Therefore, it can be concluded that Managerial Ownership directly effects Company Value. So, the first hypotheses in this research is accepted.

The results are consistent with the previous research by Jensen and Meckling (1976) stated Managerial Ownership positively effects Company Value. The existence of Managerial Ownership in a company will create an interesting assumption that the Company Value increases as a result of increased Management Ownership. The higher the proportion of Managerial Ownership then the manager will feel belonging to the company, so that will try as much as possible by doing actions that can maximize prosperity.

Second Hypothesis Test

Table 9. The Result of Second Hypothesis Test

Dependent Variable: PBV				
Independent Variable	B	Std Error	Beta	Sig
INST	0,055	0,101	0,080	0,594

The second hypotheses is Institutional Ownership directly effects on Company Value. The value of B regression coefficient value is 0,055 indicates the effect of Managerial Ownership on Company Value is positive. The significance probability value is 0,594 indicates a value higher than the specified significance value of 0,05 ($0,594 > 0,05$). Therefore, it can be concluded Institutional Ownership has no directly effect on Company Value. So, the second hypotheses in this research is rejected.

The results are consistent with the previous researches by Wahyudi and Prawestri (2006), Wien Ika (2010), and Umami Isti'adah (2015) stated Institutional Ownership has no significant effect on Company Value. The average of Institutional Ownership in this research is 0,546 or 54,6% is majority owners. Wien Ika (2010) stated the majority shareholders have a tendency to compromise with management and ignore the interests of minority investors. Management actions on non-optimal policies tend to lead to self-interest and then strategic alliance strategies

by managerial and institutional investors are responded negatively by the market.

Third Hypothesis Test

Table 10. The Result of Third Hypothesis Test

Dependent Variable: PBV				
Independent Variable	B	Std Error	Beta	Sig
SRDI	-0,112	0,124	-0,126	0,373

The third hypotheses is Sustainability Report Disclosure directly effects Company. The value of B regression coefficient is -0,112 indicates the effect of Sustainability Report Disclosure on Company Value is negative. The significance probability value is 0,373 indicates a value higher than the specified significance value is 0,05 ($0,373 > 0,05$). Therefore, it can be concluded Sustainability Report Disclosure has no directly effect the Company Value. So, the third hypotheses in this research is rejected.

The results are consistent with the result of previous researches by Sejati (2014) and Priyadi (2017). Sustainability Report Disclosure has no effect on Company Value. It is because in assessing company value investors usually use annual report while sustainability report is not part of the company's annual report, so investors pay less attention to sustainability report.

Fourth Hypothesis Test

Table 11. The Result of Fourth Hypothesis Test

Dependent Variable: PBV			
Independent Variable	Intervening Variable	Beta	Sig
MNJR	ROA	-0,0366	0,038

The fourth hypotheses is Managerial Ownership indirectly effect on Company Value. The -0,0366 beta value which is same with the manual multiplication between coefficients $b(MX)$ (intervening and independent variables) and $b(YM.X)$ (dependent variable, intervening variable and independent variable). The significance probability value is 0,038 indicates a value lower than the specified significance value of 0,05 ($0,0380 < 0,05$). Therefore, it can be concluded that Managerial Ownership indirectly effects on Company Value. So the fourth hypotheses in this research is accepted.

Demsetz (1983) stated provide managers with shares to align their interests with the other investor may not solve the agency problems or reduce agency costs and thus fails to improve company performance. Jusoh et al (2013) stated that managers as owners and controllers can use their position in the company to take personal advantage at the expense of other shareholders by appointing managers who represent their own interests

Research by Ming and Gee (2008) also had similar results that higher

managerial ownership can lead to higher agency issues. When managers have relatively large equity shares, their concentrated controls allow them to use corporate disclosure for personal gain, not for the best interests of outside shareholders so it can degrade financial performance.

Prasetyorini (2013) stated good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value increase. Therefore, if financial performance declines then it can effect the decline in investor's stock demand.

Financial performance demonstrates the effectiveness of the company operations and is used as a way to assess the success of company-related growth and performance that relate to company value.

Fifth Hypothesis Test

Table 12. The Result of Fifth Hypothesis Test

Dependent Variable: PBV			
Independent Variable	Intervening Variable	Beta	Sig
INST	ROA	-0,031	0,648

The fifth hypotheses is Institutional Ownership indirectly effects on Company Value. The -0,0310 beta value which is same with the manual multiplication between coefficients $b(MX)$ (intervening

and independent variables) and $b(YM.X)$ (dependent variable, intervening variable, and independent variable). The significance probability value is 0,6481 shows a value higher than the specified significance value of 0,05 ($0,6481 > 0,05$). Therefore, it can be concluded Institutional Ownership has no indirectly effect on Company Value. So, the fifth hypotheses in this research is rejected.

The results can be explained by the previous researches by Wiranata and Yeterina (2013), Triwinasis (2013), and Titis Waskito (2014) stated that Institutional Ownership negatively effects on Financial Performance. The higher institutional ownership, the lower financial performance because the institutional ownership is the temporary owner and more focused on short-term profit.

Triwinasis (2013) stated that if current earnings are not profitable by investors, they will liquidate their shares. Since institutional investors have large shares, if they liquidate their shares, they will effect the stock as a whole. On the basis of this perspective, in order to avoid the liquidation of investors, managers will take profit management actions that will eventually also degrade company performance.

Prasetyorini (2013) stated good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause

the company value increase. Therefore, if financial performance declines then it can effect the decline in investor's stock demand.

Financial performance demonstrates the effectiveness of the company operations and is used as a way to assess the success of company-related growth and performance that relate to company value.

Sixth Hypothesis Test

Table 13. The Result of Sixth Hypothesis Test

Dependent Variable: PBV			
Independent Variable	Intervening Variable	Beta	Sig
SRDI	ROA	0,234	0,019

The sixth hypotheses is Sustainability Report Disclosure indirectly effects on Company Value. The 0,2345 value which is same with the manual multiplication between coefficients $b(MX)$ (intervening and independent variables) and $b(YM.X)$ (dependent variable, intervening variable, and independent variables). The significance probability value is 0,0198 indicates a value lower than the specified significance value of 0,05 ($0,0198 < 0,05$). Therefore, it can be concluded Sustainability Report Disclosure indirectly effects on Company Value. So, the sixth hypotheses in this research is accepted.

The results can be explained by the Sustainability Report Disclosure, the company can get the trust stakeholders

needed for the continuity of the company's business. The stakeholder trust can be either investment or cooperation potential to increase the productivity and sales of the company. This can effect the level of company net profit that will increase company's ROA.

Prasetyorini (2013) stated that good financial performance will provide an indication of good corporate prospects that can trigger investors to increase share demand. A rising stock demand will cause the company value increase. Financial performance demonstrates the effectiveness of the company operations and is used as a way to assess the success of company-related growth and performance that relate to company value.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the research results on the effect of Ownership Structure and Sustainability Report Disclosure on Company Value with Financial Performance as an intervening variable for companies publish Sustainability Report listed on Indonesia Stock Exchange during 2013-2016. It can be concluded as follows:

1. Managerial Ownership directly effects on Company Value.
2. Institutional Ownership has no directly effect on Company Value.
3. Sustainability Report Disclosure has no directly effect on Company Value.

4. Managerial Ownership indirectly effects on Company Value with Financial Performance as an intervening variable.

5. Institutional Ownership has no indirectly effect Company Value with Financial Performance as an intervening variable.

6. Sustainability Report Disclosure indirectly effects on Company Value with Financial Performance as an intervening variable.

Suggestions

Some suggestions can provide based on the analysis has been done are as follows:

1. For Companies

Companies can make efforts to increase the company value that reflected by the stock price. Based on the results of this research, the factors that effect the Company Value are Managerial Ownership, Financial Performance, and Sustainability Report Disclosure. Companies should pay attention to the amount of managerial ownership because the amount of managerial ownership can decrease financial performance, but on the other hand, also can increase the company value. In addition, the Company Value reflected in the stock price can increase with better Financial Performance. Therefore, companies need to make

efforts to improve the Financial Performance. The results of this research also show that Sustainability Report Disclosure indirectly effects the Company Value, therefore the company can increase Sustainability Report Disclosure in order to increase the Company Value.

2. For Financial Report Users

For financial report users can pay attention to information other than finance in making investment decisions. The financial report users can see other aspects of information such as the ownership structure and sustainability reports disclosure in the company as one of the investment decisions considerations.

3. For Further Research

This research use only two variables as a proxy for Ownership Structure such as Managerial Ownership and Institutional Ownership. On the other hand, there are foreign ownership, family ownership, and government ownership. Future research can use the entire proxy of ownership structure. So, the results provide a more relevant comparison to existing theories.

This research use only three independent variables, while there are other factors may have an effect on Company Value. Further research can add other variables such as company

size, company characteristics, dividend policies, and others.

This research use a small sample (10 companies listed on the IDX during 2013-2016). Further research can add the sample by increasing the year.

Financial performance in this research is only measured by ROA (Return on Asset) proxy. Further research can use other proxies in measure Financial Performance, for example ROE (Return on Equity) or ROI (Return on Investment).

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