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The effect of corporate social responsibility disclosure in good corporate governance relations on financial performance

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ABSTRACT

This study aims to analyze the influence of corporate social responsibility (CSR) in the relationship of good corporate governance (managerial ownership, institutional ownership, foreign ownership, independent commissioners and audit committees) on financial performance. This research was conducted in the coal sub-sector companies. By using quantitative research methods. The population in this study were all companies in the coal sub-sector consisting of 31 companies. The sample was determined using a purposive sampling technique which obtained 11 companies as samples in the study. The theories used in this research are agency theory, signaling theory, and attribution theory. This study uses secondary data, namely data obtained from the official website of the Indonesia Stock Exchange (IDX) and the official website of each company. The research data were analyzed using Moderation Regression Analysis (MRA) using SPSS software. The results showed that partially managerial ownership, independent commissioners and committees did not significantly influence financial performance. However, institutional ownership and foreign ownership have a significant effect on financial performance. CSR disclosure moderates the effect of managerial ownership, institutional ownership, foreign ownership, and audit committees on financial performance partially, but CSR disclosure does not moderate the effect of independent commissioners on financial performance.

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INTRODUCTION

In a highly competitive business environment, companies must implement strategies to ensure their survival. One effective way to achieve this is by improving the company's financial performance. Financial performance refers to the analysis conducted by a company to assess how effectively it adheres to financial rules and practices (Hutabarata, 2021).

One factor that can contribute to enhancing a company's financial performance is the disclosure of Corporate Social Responsibility (CSR) initiatives. When a company publicly shares information about its CSR efforts, it tends to receive a positive response from market participants, as it demonstrates transparency in its operations (Hidayat, 2021). Such disclosures can be seen as favorable signals to investors, potentially leading to increased stock trading volume and overall improvement in financial performance (Melinda, 2021). This concept aligns with signaling theory, which posits that a company's management actions can guide investors in assessing the company's prospects and performance (Dura, 2022).

Another factor that plays a role in improving a company's performance is the enhancement of economic efficiency within the corporate sector. This involves optimizing interactions between external and internal parties, and one of the essential elements is the implementation of Good Corporate Governance (GCG) within the company (Rashid, 2020). GCG helps reduce conflicts of interest between managers and shareholders, thereby leading to improved company performance (Din et al., 2021; Anik et al., 2021). The findings of this research align with Jensen and Meckling's theory (1976), which highlights how information asymmetry can be reduced through GCG, ultimately leading to improved financial performance. Additionally, strong corporate governance fosters trust in the company, resulting in increased asset growth and acceptance by stakeholders (Markonah and Johan, 2022)

According to Utomo (2019), there are five key parties involved in developing and implementing Good Corporate Governance (GCG) within a company. These parties serve as indicators to assess the level of GCG within the organization. The five indicators consist of the board of directors, executive officers, board of commissioners, audit committee, and stakeholders.

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Numerous studies have been conducted using these indicators, and some have concluded that GCG indeed contributes to improvements in a company's financial performance. For example, Din et al. (2021) found a significant positive relationship between managerial ownership and financial performance, supporting the agency theory's idea that reducing the separation of ownership and control can mitigate conflicts of interest between managers and shareholders. Additionally, the study revealed a positive relationship between institutional ownership and financial performance, underscoring the importance of effective monitoring by institutional investors in the capital market.

Foreign ownership was also found to have a positive impact on financial performance. The presence of foreign investors in a company's capital structure is considered a positive event because foreign investors often conduct thorough analyses before investing, attracting other investors and positively influencing the company's stock prices (Rashid, 2020).

Independent commissioners play a crucial role in enhancing a company's financial performance. Their presence helps prevent errors in financial reporting and reduces agency problems within the company, ultimately leading to improved company performance (Anik et al., 2020).

Amelinda and Lucky (2021) discovered that having an appropriately sized audit committee, tailored to the company's complexity, enhances decision-making effectiveness and positively influences the company's financial performance.

However, a phenomenon observed at PT. Bukit Asam (PTBA) seems to challenge these findings. Despite obtaining a very reliable GCG score based on the CGPI survey results during the 2018-2020 period, PTBA experienced a decline in financial performance during the same period. This discrepancy raises questions regarding the Agency Theory, which suggests a positive relationship between GCG and financial performance.

Some studies support this phenomenon, stating that GCG has no significant effect on a company's financial performance. This could be attributed to the fact that these companies have already implemented high discipline and standard operating procedures effectively in their operational activities (Dzaky et al., 2021; Dewi et al., 2021). In such cases, the implementation of good corporate governance becomes a routine part of their activities.

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However, other studies contradict this finding, suggesting that increasing GCG does indeed improve the financial performance of companies, as it reduces information asymmetry and enhances public trust in the organization (Markonah and Johan, 2022; Amelinda and Lucky, 2021).

Based on the description of the background and phenomena from PT. Bukit Asam and the inconsistency of research results from several previous researchers, so that researchers are interested in conducting research with the title "The Effect of Disclosure of Corporate Social Responsibility in the Relationship of Good Corporate Governance on Financial Performance"

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory (Agency Theory)

An agency relationship is defined as a contract in which one or more persons (principals) engage another person (agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. This agency theory states that there is a separation between owners and workers in a company, and this statement is based on the idea that there is a separation of ownership and control within the company. There is a separation of risk bearers, decision making and controlling functions within the company (Jensen and Meckling, 1976).

Signaling Theory

An agency relationship refers to a contractual arrangement in which one or more individuals (principals) hire another person (agent) to perform certain services on their behalf, involving the delegation of decision-making authority to the agent. According to the agency theory, this relationship highlights a division between owners and employees within a company, wherein ownership and control are separated. Consequently, different roles emerge for risk bearers, decision-makers, and controllers within the organization (Jensen and Meckling, 1976).

On the other hand, signaling theory explains how individuals or organizations possess varying levels of access to information. The party transmitting the information (or signal) determines how it is conveyed, while the receiving party must interpret the given signal (Connelly et al., 2011)

Attribution Theory (Attribution Theory)

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Attribution refers to how people explain the reasons for the behavior of others or themselves. Attribution is a cognitive process by which other people make inferences about factors that influence or make sense of another people's behavior. Attributed theory explains an understanding of a person's relationship with the events around him by knowing the reasons for the events he experiences (Arifuddin, 2022). Nur et al. (2022) also explained that attribution is a psychological theory. In attribution theory teaches the process of understanding the causes of the behavior of others and oneself, and in relation to their role, attribution is a person's conclusion about the causes of an event and the behavior of others towards themselves and their environment.

The Influence of Managerial Ownership on Financial Performance

There is a positive and significant relationship between managerial ownership and financial performance. This statement supports the idea of agency theory that managerial ownership has a positive impact on a company's financial performance. As shown by Alabdullah's research (2018) that there is a positive and significant relationship between this mechanism and companies' financial performance. An increase in the proportion of managerial share ownership is reported to have a significant positive impact on performance. Managerial ownership appears as having a positive effect on market-based performance. Various impacts that can become agency costs can be gradually removed, as well as encouraging equity-based managerial incentives to improve performance and reduce agency costs (Al-Farooque et al., 2019). In line with the research of Din et al. (2021) which confirms the implications of agency theory that reducing the separation of ownership and control can reduce conflicts of interest between managers and shareholders and therefore improve company performance. The hypothesis propose According to Alabdullah's research (2018), there is a positive and significant correlation between managerial ownership and a company's financial performance. This finding supports the notion of agency theory, suggesting that managerial ownership positively influences financial performance. An increase in the proportion of managerial share ownership has been shown to have a substantial positive impact on performance, particularly in terms of market-based performance. This effect can lead to a gradual reduction in various agency costs while encouraging equity-based managerial incentives to enhance performance and minimize agency costs (Al-Farooque et al., 2019).

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The research by Din et al. (2021) further reinforces the implications of agency theory, indicating that a reduction in the separation of ownership and control can diminish conflicts of interest between managers and shareholders, ultimately leading to improved company performance. Based on these findings, the hypothesis proposed

H $_1$: Managerial ownership has a significant effect on financial performance

Effect of Institutional Ownership on Financial Performance

Din et al. (2021) found significant evidence supporting the positive impact of institutional ownership on firm performance, indicating the effective monitoring role played by institutional investors in Pakistan's capital market. Institutional investors possess the necessary expertise, resources, and opportunities to actively monitor managerial decisions, leading to a reduction in self-interested behavior by company managers. This alignment of interests with external shareholders results in improved financial performance for the company.

Similar results were reported by Purwanto et al. (2020), stating that institutional ownership has a significant effect (0.049) on financial performance. Hajawiyah et al. (2020) also revealed that these findings are in line with agency theory, which suggests that agency conflicts between managers and shareholders can be minimized by having majority share ownership and institutional ownership. The presence of institutional shareholders exerts a considerable influence on the company, as they possess the expertise to oversee management's opportunistic tendencies effectively. As a result, management operates with greater transparency and implements accounting conservatism within the company. Therefore, put forward the hypothesis, namely:

H $_2$: Institutional ownership has a significant effect on the performance of both

Effect of Foreign Ownership on Financial Performance

The ownership structure is an important attractiveness factor for foreign investors. With the increasing significance of foreign capital and the unequal attraction of foreign capital by some companies, it makes it important for companies to fully understand the factors that shape foreign investors' decisions. Therefore, it is also found that stocks with higher foreign ownership perform better than stocks with low foreign ownership. So that the research findings of Ali et al. (2019) shows that foreign institutional investors have a significant direct relationship with company

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performance. In line with agency theory, namely to reduce agency conflicts, this can be done by including foreign ownership as investors who have more expertise than individual investors, where foreign ownership plays a role as a party that monitors or oversees company operations (Dewata, et al., 2018).

Foreign ownership shows a significant (positive) relationship with financial performance, whereby the presence of foreign investors in the company's capital structure is considered a profitable event by other investors, Rashid (2020). Sobhan's research (2022) also states that even though the number of foreign investors is small, foreign investors can be more effective and experienced in monitoring and increasing their voice in companies, thereby finding a positive and significant relationship between foreign ownership and company performance. Therefore, the hypothesis proposed, namely:

H_3: Foreign ownership has a significant effect on financial performance

The Influence of Independent Commissioners on Financial Performance

Independent commissioners play a crucial role in enhancing the company's financial performance. The proportion of independent commissioners has a strong and statistically significant impact on financial performance, as highlighted in the research by Meiryani and Sani (2019) and Anik et al. (2020). The market's response to the involvement of independent commissioners in overseeing the process of preparing financial reports is notably robust.

These findings align with the research conducted by Hajawiyah et al. (2020), which supports the agency theory's premise that management may prioritize personal interests over shareholders' welfare. To address this issue, the company's need for an independent commissioner becomes evident to oversee and monitor all management activities. Having an independent commissioner on the board ensures improved quality assurance for shareholders. Independent commissioners' dedication to accurate financial reporting and their rigorous supervision guarantee transparent and reliable information in the financial reports.

Moreover, the presence of independent commissioners prompts management to adopt a conservative approach when dealing with economic uncertainties, refraining from excessive optimism about the company's profits. This prudent stance serves to safeguard shareholders'

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interests and promotes responsible financial management. Therefore, the following hypothesis is proposed:

H_4: Independent commissioners have a significant effect on financial performance.

The Influence of the Audit Committee on Financial Performance

The audit committee is one of the important corporate governance mechanisms in a company. The Audit Committee has the task of assisting and strengthening the functions of the board of commissioners in financial reports, risk management, audits and GCG implementation. The influence of the Audit Committee on financial performance is due to the lack of oversight of the audit committee's performance. Audit committee size has a positive relationship with financial performance, and the audit committee has a significant value of 0.031 on financial performance. (Al-Homaidi, 2019; Purwanto et al., 2020). As stated by Amelinda and Lucky (2021), which audit committee size is sufficient and in accordance with the complexity of the company, will help increase the effectiveness of decision making. The effectiveness and efficiency of the audit committee function leads to better company management control, especially in relation to financial performance reporting. This is in line with the agency theory which says that the existence of an audit committee can improve financial performance where the audit committee can maximize profits and influence the improvement of the company's financial performance because it can minimize the risk of loss due to management fraud in manipulating the results of financial reports for their own interests. Continuous supervision by the audit committee helps minimize agency problems (Luthfiana and Nurma, 2023). Therefore, the hypothesis is proposed as follows:

H_5: The audit committee has a significant effect on financial performance.

CSR Disclosure Moderates Managerial Ownership of Financial Performance

An increase in the proportion of managerial share ownership is reported to have a significant positive impact on performance. Managerial ownership appears to have a positive effect on financial performance. Various impacts that can become agency costs can be gradually removed, as well as encouraging equity-based managerial incentives to improve performance and reduce agency costs (Al-Farooque et al., 2019). Disclosure of CSR is something that is important for companies because social disclosure is a way for companies to communicate to stakeholders that

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the company pays attention to the social and environmental impacts caused by the company, and is supported by signaling theory which states that companies with good performance will disclose their information to the market (Spence, 1973). So that by disclosing CSR in the company it will be able to attract investors, because companies that carry out CSR disclosures are generally companies that have good financial performance at that time and are appreciated (Al-Hajri and Fawas, 2019). This is in line with the purpose of attribution theory to explain the actions taken by companies so that they can bring investors to invest (Nur et al., 2022).

Seeing the effect of managerial ownership on positive financial performance (Din et al., 2021; Al-Farooque et al., 2019; Alabdullah, 2018) also the effect of CSR disclosure on positive financial performance (Martin et al., 2018; Al-Hajri and Fawas, 2019). With the disclosure of CSR, it is hoped that it will attract internal stakeholders to invest in the companies where they work. So the hypothesis proposed, namely:

H_6: Disclosure of CSR moderates managerial ownership of financial performance

CSR Disclosure Moderates Institutional Ownership of Financial Performance

A finding by Din et al. (2021) reveal a significant positive impact of institutional ownership on firm performance, confirming the effective monitoring role of institutional investors in the capital market in Pakistan. Furthermore, institutional investors have the expertise, resources, and opportunities to actively monitor managers' decisions. This reduces the self-interested behavior of company managers and aligns their interests with external shareholders which in turn improves the company's financial performance. Disclosure of CSR is something that is important for companies because social disclosure is a way for companies to communicate to stakeholders that the company pays attention to the social and environmental impacts caused by the company, and is supported by signaling theory which states that companies with good performance will disclose their information to the market (Spence, 1973). So that by disclosing CSR in the company it will be able to attract investors, because companies that carry out CSR disclosures are generally companies that have good financial performance at that time and are appreciated (Al-Hajri and Fawas, 2019). This is in line with the purpose of attribution theory to explain the actions taken by companies so that they can bring investors to invest (Nur et al., 2022).

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Seeing that institutional ownership has a positive effect on financial performance (Din et al., 2021; Purwanto et al., 2020; Hajawiyah et al., 2020) and CSR disclosure also has a positive effect on financial performance (Martin et al., 2018; Al-Hajri and Fawas, 2019), it is hoped that CSR disclosure by companies can attract institutional investors to invest in companies, with consideration of companies making CSR disclosures. also has good financial performance (Al-Hajri and Fawas, 2019). Therefore, this study proposes the following hypothesis:

H $_7$: Disclosure of CSR moderates institutional ownership of financial performance.

CSR Disclosure Moderates Foreign Ownership of Financial Performance

With the increasing importance of foreign capital and its varying attraction to different companies, understanding the factors influencing foreign investors' decisions becomes essential. It has been observed that stocks with higher foreign ownership tend to outperform those with lower foreign ownership. Research conducted by Ali et al. (2019) reveals a significant direct relationship between foreign institutional investors and company performance.

Companies recognize the significance of CSR (Corporate Social Responsibility) disclosure as a means of communicating their attention to social and environmental impacts caused by their operations to stakeholders. Signaling theory, as proposed by Spence (1973), supports this idea, suggesting that companies with good performance are more likely to disclose their information to the market. Consequently, companies that disclose CSR initiatives are often perceived positively, attracting investors who appreciate the company's financial performance at that time (Al-Hajri and Fawas, 2019). This aligns with the purpose of attribution theory, which seeks to explain how companies' actions can influence investor decisions (Nur et al., 2022).

As we are aware of the positive impact of foreign ownership on a company's financial performance (Ali et al., 2020; Rasyid, 2020; Sobhan, 2022) and the positive effect of CSR disclosure on financial performance (Martin et al., 2018; Al-Hajri and Fawas, 2019), researchers posit that CSR disclosure moderates the relationship between foreign ownership and financial performance. This idea is supported by Ali et al. (2019), who found that CSR moderates the relationship between foreign institutional shareholders and a company's financial performance. So the research hypothesis is:

H $_8$: Disclosure of CSR moderates foreign ownership of financial performance.

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CSR Disclosure Moderates Independent Commissioners on Financial Performance

Independent commissioners play a significant role in enhancing a company's financial performance. The proportion of independent commissioners has a strong and statistically significant effect on financial performance, as supported by the research conducted by Meiryani and Sani (2019) and Anik et al. (2020). This indicates that the market positively responds to the presence of a higher number of independent commissioners overseeing the process of preparing financial reports.

For companies, disclosing CSR (Corporate Social Responsibility) is crucial because it serves as a means of communicating the company's attention to social and environmental impacts to stakeholders. This communication aligns with signaling theory, which posits that companies with good performance are more inclined to disclose their information to the market, as proposed by Spence (1973). As a result, companies that disclose CSR initiatives are generally perceived positively and tend to attract investors due to their good financial performance at that time (Al-Hajri and Fawas, 2019). This notion corresponds with the purpose of attribution theory, explaining how companies' actions influence investor decisions (Nur et al., 2022).

Considering the positive effects of independent commissioners on financial performance (Meiryani and Sani, 2019; Anik et al., 2020) and the positive effects of CSR disclosure on financial performance (Martin et al., 2018; Al-Hajri and Fawas, 2019), it is hypothesized that CSR disclosure can moderate the impact of independent commissioners on financial performance. By observing CSR disclosure, independent commissioners are likely to pay more attention to CSR factors, which are visible to shareholders and the public. This, in turn, can influence the company's image and ultimately impact the company's financial performance. Therefore, the following hypothesis is proposed:

H_9: Disclosure of CSR moderates the relationship between independent commissioners and financial performance.

CSR Disclosure Moderates the Audit Committee on Financial Performance

The Audit Committee plays a crucial role in supporting and strengthening the functions of the board of commissioners concerning financial reports, risk management, audits, and Good

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Corporate Governance (GCG) implementation. The impact of the Audit Committee on financial performance stems from its oversight of the committee's performance. As highlighted by Amelinda and Lucky (2021), an appropriately sized audit committee, commensurate with the company's complexity, enhances decision-making effectiveness. A larger committee size allows for more effective oversight, drawing upon a greater pool of specialist knowledge and ideas to control the accuracy of accounting techniques and elevate the company's economic standing.

Regarding CSR (Corporate Social Responsibility) disclosure, it holds significant importance for companies as it serves as a means of communicating the company's attention to the social and environmental impacts it generates. This communication aligns with signaling theory, which asserts that companies with good performance are more likely to disclose their information to the market, as proposed by Spence (1973). Consequently, companies that disclose CSR initiatives are generally perceived positively and are more likely to attract investors due to their good financial performance at that time (Al-Hajri and Fawas, 2019). This connection aligns with the purpose of attribution theory, explaining how companies' actions influence investor decisions (Nur et al., 2022).

Considering the positive impacts of audit committees on financial performance (Al-Hajri and Fawas, 2019; Al-Homaidi, 2019; Purwanto et al., 2020) and the positive impacts of CSR disclosure on financial performance (Martin et al., 2018; Al-Hajri and Fawas, 2019), it is hoped that CSR disclosure can moderate the impact of the audit committee on financial performance with due consideration. Given that the audit committee's responsibilities are monitoring in nature, it influences management to pay attention to CSR factors, while CSR can be observed by stakeholders, thereby enhancing the company's image and impacting its financial performance. Therefore, the following hypothesis is proposed:

H_{10}: CSR disclosure moderates the audit committee's relationship to financial performance.

Based on the framework and hypothesis development, the research model in this study is as follows:

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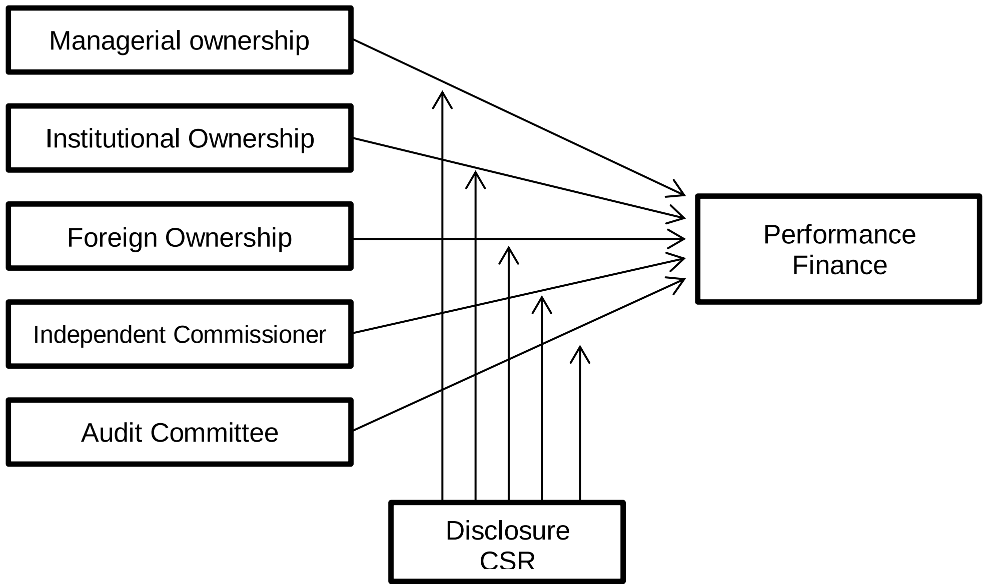

Figure 1. Research Model

RESEARCH METHODS

This study will examine the effect of CSR disclosure on the relationship between GCG and financial performance. This research was conducted on coal sub-sector companies listed on the Indonesian stock exchange. The population in this study were 31 companies in the coal sub-sector, with a sample of 11 companies obtained using a purposive sampling technique. The data used in this study is secondary data obtained from the IDX website and the official website of each company. The research data were analyzed using Moderation Regression Analysis (MRA) using SPSS software, the regression models in this study are as follows:

Model 1:

$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$ … (1)

Model 2:

$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_1 {*} Z + \beta 7 X 2 {*} Z + \beta 8 X 3 {*} Z + \beta_9 X_4 {*} Z + \beta 10 X_5 {*} Z + \varepsilon$ … (2)

Information:

Y : Financial Performance

X_1 : Managerial Ownership

X_2 : Institutional Ownership

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X_3 : Foreign Ownership

X_4 : Independent Commissioner

X_5 : Audit Committee

Z : Disclosure of Corporate Social Responsibility

ε : Error

RESULTS AND DISCUSSION

Multiple Linear Regression Analysis

Coefficients [a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients std. Error	Standardized Coefficients Betas	t	Sig.
1	(Constant)	.351	.203		1,724	.097
	Managerial ownership	.027	.023	.175	1.137	.267
	Institutional Ownership	1,476	.486	.517	3,039	006
	Foreign Ownership	.164	044	.575	3,759	001
	Independent Commissioner	.186	.193	.153	.967	.343
	Audit Committee	.111	.389	041	.285	.778

Source: Data Processed with SPSS, 2023

The Effect of Managerial Ownership on Financial Performance

In the managerial ownership variable, the probability value (Sig) is 0.267 > 0.05, partially managerial ownership has no significant effect on financial performance. Thus, H1 is rejected. The results of this study are in line with research conducted by Ilmi et al (2017) and Holly and Lukman (2020) which state that managerial ownership has no effect on a company's financial performance. Which means the amount of managerial ownership of the company's shares cannot affect the increase or decrease in the company's financial performance. Conflicts of interest between

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shareholders and financial management cannot be properly resolved through managerial share ownership. However, the results of this study are not in line with agency theory, where managerial ownership of company shares is expected to reduce conflicts of interest between principals and agents, but the results of this study indicate that the percentage of managerial ownership has no effect on changes in financial performance.

Effect of Institutional Ownership on Financial Performance

The variable of managerial ownership shows a significant effect on financial performance, as indicated by the probability value (Sig) of 0.006, which is less than the significance level of 0.05. This suggests that higher managerial ownership positively influences financial performance, leading to the acceptance of hypothesis H2. The study's findings align with the principles of agency theory, where institutional ownership helps minimize agency conflicts between managers and shareholders. The presence of institutional shareholders holds substantial sway over the company, as they possess the expertise to effectively monitor and control management's opportunistic behavior. Consequently, this fosters greater transparency in management practices, ultimately contributing to improved financial performance (Hajawiyah et al., 2020; Purwanto et al., 2020)

Effect of Foreign Ownership on Financial Performance

In the foreign ownership variable, the probability value (Sig) is 0.001 <0.05, partially foreign ownership has a significant effect on financial performance. Based on the positive sign of the coefficient, it means that the higher foreign ownership will improve financial performance. Thus, H3 is accepted. The results of this study are also consistent with agency theory, namely to reduce agency conflict, it can be done by including foreign ownership as investors who have more expertise compared to individual investors, where foreign ownership acts as a party that monitors or oversees company operations (Dewata, et al., 2018). Because foreign investors can be more effective and experienced in monitoring and increasing their voice in companies, foreign ownership has a significant influence on financial performance (Sobhan, 2022).

The Influence of Independent Commissioners on Financial Performance

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The independent commissioner variable obtained a probability value (Sig) of 0.343 > 0.05, partially the independent commissioner has no significant effect on financial performance. Thus, H4 is rejected. The results of this study are consistent with Setiawan's research (2016) which states that independent commissioners have no significant effect on a company's financial performance. This is possible because in this company the composition of the independent commissioners has been determined by regulation where at least 50% of the composition of the independent commissioners, so that a large enough number of independent commissioners controls the composition of the company's board of commissioners causing the possibility of low recognition of profits or expenses on the company.

The Influence of the Audit Committee on Financial Performance

The audit committee variable obtained a probability value (Sig) of 0.778 > 0.05, partially the audit committee has no significant effect on financial performance. Thus, H5 is rejected. The results of this study are consistent with the statement that the audit committee has no significant effect on financial performance, which means that the audit committee is not able to improve the financial performance of the company. which makes it possible to appoint an audit committee within a company based solely on regulations to comply with regulations that require companies going public to have a minimum of three audit committees but not based on the needs of the company, besides that there are indications that the formation of an audit committee is limited to fulfilling formal requirements (Maryanti and Wildah 2017; Sembiring and Afni, 2019).

Moderate Regression Analysis

Coefficients [a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	std. Error	Betas	t	Sig.
1	(Constant)	.035	046		.763	.452

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	Managerial Ownership*CSR Disclosure	-.469	.138	-.631	-3,388	002
	Institutional Ownership*CSR Disclosure	-8,509	3,501	-.418	-2,431	022
	Foreign Ownership*CSR Disclosure	-1,157	.325	-.560	-3,563	001
	Independent Commissioner*CSR Disclosure	1,091	1,451	.240	.752	.459
	Audit Committee*CSR Disclosure	-4,155	1715	-. 904	-2,422	022

Source: Data Processed with SPSS, 2023

The Effect of CSR Disclosure in Moderating the Relationship of Managerial Ownership on Financial Performance

The results showed that CSR disclosure strengthens the effect of managerial ownership on financial performance. This can be seen from the analysis that produced a probability value (sig) = 0.002 <0.05, which means that the moderating variable CSR disclosure can moderate the effect of managerial ownership on financial performance. Thus, H_6 is accepted.

This research is in line with the signaling theory that the existence of a higher CSR can give a signal to stakeholders, in the form of a good or bad signal, but this research supports that CSR disclosure gives a bad signal. Because managers who receive the signal who also own shares in the company will assume that with CSR, the company's burden will increase and the profits that will be obtained by managers will also decrease. This is also consistent with the attribution theory which explains that company actions by disclosing CSR can be a reason for investors' decisions not to invest (Nur et al., 2022).

The Effect of CSR Disclosure in Moderating Institutional Ownership Relationships on Financial Performance

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The results showed that CSR disclosure strengthens the effect of institutional ownership on financial performance. This can be seen from the analysis that produced a probability value (sig) = 0.022 <0.05, which means that the moderating variable CSR disclosure can moderate the effect of institutional ownership on financial performance. Thus, H7 is accepted.

This research is in line with the signaling theory that higher CSR disclosure can give a signal to stakeholders, in the form of a good or bad signal, but this research supports that CSR disclosure gives a bad signal. This is because investors use CSR disclosure information in investment appraisal, and institutional investors will not pay attention to CSR disclosures made by companies, because they feel that CSR carried out by companies does not really increase the portfolio, which means it reduces the interest of institutional investors to invest (Putra and I, 2019; Widyaningsih 2018). This is also consistent with the attribution theory which explains that company actions by disclosing CSR can be a reason for investors' decisions not to invest (Nur et al., 2022).

The Effect of CSR Disclosure in Moderating Foreign Ownership Relations on Financial Performance

The results show that CSR disclosure strengthens the effect of foreign ownership on financial performance. This can be seen from the analysis which yields a probability value (sig) = 0.001 <0.05, which means that the presence of a moderating variable for CSR disclosure can moderate the effect of foreign ownership on financial performance. Thus, H8 is accepted.

This research is in line with the signaling theory that higher CSR disclosure can give a signal to stakeholders, in the form of a good or bad signal, but this research supports that CSR disclosure gives a bad signal. This is because investors use CSR disclosure information in investment appraisal, and investors will not pay attention to CSR disclosures made by companies, because investors feel that CSR carried out by companies does not really increase the portfolio, which means reducing investor interest in investing (Putra and I, 2019; Widyaningsih 2018). This is also consistent with the attribution theory which explains that company actions by disclosing CSR can be a reason for investors' decisions not to invest (Nur et al., 2022).

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The Effect of Disclosure of CSR in Moderating the Relationship of Independent Commissioners on Financial Performance

The results showed that CSR disclosure did not strengthen the influence of independent commissioners on financial performance. This can be seen from the analysis carried out to produce a probability value (sig) = 0.459 > 0.05, which means that the moderating variable CSR disclosure cannot moderate the influence of independent commissioners on financial performance. Thus, H9 is rejected

Disclosure of CSR does not moderate the effect of independent commissioners on financial performance, meaning that CSR disclosure does not weaken or strengthen the influence of independent commissioners on financial performance. This is possible because the appointment of independent commissioners is not based on competence and professionalism but rather on the factor of closeness to the company or as a position of respect. This causes the independent commissioners to no longer be independent in carrying out their duties, so that the presence or absence of CSR disclosures made by the company cannot moderate the commissioners' financial performance (Sembiring and Afni, 2019; Eksandy, 2018).

The Effect of Disclosure of CSR in Moderating the Relationship of the Audit Committee on Financial Performance

The results showed that CSR disclosure strengthens the influence of the audit committee on financial performance. This can be seen from the analysis that produced a probability value (sig) = 0.022 <0.05, which means that the moderating variable CSR disclosure can moderate the influence of audit committees on financial performance. Thus, H10 is accepted.

This research is in line with the signaling theory that the existence of a higher CSR can give a signal to stakeholders, in the form of a good or bad signal, but this research supports that CSR disclosure gives a bad signal. Because with the CSR disclosure carried out by the company, the audit committee will further increase its duties related to CSR reporting by the company, but investors who receive this signal will assume that with CSR the company's burden will increase and the profits that investors will get will also decrease (Putra and I, 2019; Widyaningsih 2018).

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This is also consistent with the attribution theory which explains that company actions by disclosing CSR can be a reason for investors' decisions not to invest (Nur et al., 2022).

CONCLUSION

Based on the results and findings of the discussion described in the previous chapter, the conclusions that can be drawn include:

1. Managerial ownership does not significantly influence the financial performance of coal mining sub-sector companies. Which means managerial ownership cannot affect the increase or decrease in the company's financial performance.
2. Institutional ownership has a significant effect on the financial performance of companies in the coal sub-sector. Means that the role of monitoring institutional ownership of managers' decisions can effectively reduce the personal interest behavior of company managers and align the interests of stakeholders which in turn improves the company's financial performance.
3. Foreign ownership has a significant effect on the financial performance of companies in the coal sub-sector. Which with high foreign ownership will work better than with low foreign ownership, therefore foreign ownership affects financial performance.
4. Independent commissioners have no significant effect on the financial performance of coal sub-sector companies. This means that the composition of independent commissioners will not always be independent in carrying out their duties.
5. The audit committee has no significant effect on the financial performance of coal sub-sector companies. Which means the audit committee cannot be able to improve the financial performance of the company.
6. Disclosure of CSR can moderate the effect of managerial ownership on financial performance. That is, managerial ownership weakens the effect of managerial ownership on financial performance. This result is in line with the signaling theory and attribution theory that the disclosure of CSR will reduce managerial interest in investing which will affect the company's financial performance.
7. Disclosure of CSR can moderate the effect of institutional ownership on financial performance. That is, CSR disclosure can weaken the effect of institutional ownership on

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financial performance. This result is in line with the signaling theory and attribution theory that the disclosure of CSR will reduce managerial interest in investing which will affect the company's financial performance.

8. Disclosure of CSR can moderate the effect of foreign ownership on financial performance. That is, CSR disclosure can weaken the effect of foreign ownership on financial performance. This result is in line with the signaling theory and attribution theory that the disclosure of CSR will reduce managerial interest in investing which will affect the company's financial performance.
9. Disclosure of CSR cannot moderate the influence of independent commissioners on financial performance. This means that CSR disclosure cannot strengthen or weaken the influence of independent commissioners on financial performance. This shows that the existence of CSR disclosure does not strengthen or weaken the influence of independent commissioners on financial performance.
10. Disclosure of CSR can moderate the influence of the audit committee on financial performance. That is, CSR disclosure can weaken the influence of the audit committee on financial performance. This result is in line with the signaling theory and attribution theory which states that CSR disclosure will provide a signal to stakeholders Because with the disclosure of CSR by the company, the audit committee will further increase its duties related to CSR reporting by the company, but investors who receive this signal will assume that with CSR the company's burden will increase and the profits that investors will get will also decrease.

LIMITATION

This research has limitations, including that this research was only conducted on companies in the coal subsector and only covered the years 2028-2020.

SUGGESTION

Based on the research conducted, there are several suggestions that can be given, as follows:

1. Add or consider other variables that can be used to review the factors that affect the company's financial performance,

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2. This research was conducted by selecting a sample covering only one mining sub-sector, for further researchers to expand the scope of the research sample so that the research results can be generalized.

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