IS IT TRUE THAT CSR MEDIATES THE PROPORTION OF INDEPENDENT COMMISSIONER AND AUDIT COMMITTEE SIZE ON FIRM VALUE?

ORIGINALITY REPORT

12%	9%	3%	2%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	iaijawatimur.or.id Internet Source	8%
2	Submitted to Fateh Institute of Health Science Student Paper	1%
3	Issal Haj-Salem, Salma Damak Ayadi, Khaled Hussainey. "The joint effect of corporate risk disclosure and corporate governance on firm value", International Journal of Disclosure and Governance, 2020 Publication	1%
4	Submitted to Universiti Malaysia Perlis Student Paper	<1%
5	Ganesh Krishnamoorthy, Liesbeth Bruynseels, Sander De Groote, Arnie Wright, Mathijs Van Peteghem. "The Accounting Financial Expertise of the Audit Committee Chair And Oversight Effectiveness", AUDITING: A Journal of Practice & Theory, 2022 Publication	<1%
6	Submitted to Universiti Malaysia Pahang Student Paper	<1%
7	Maya Novitasari, Zeplin Jiwa Husada Tarigan. "The Role of Green Innovation in the Effect of Corporate Social Responsibility on Firm Performance", Economies, 2022 Publication	<1%

8	Submitted to National Economics University Student Paper	<1 %
9	Hanen Ben Fatma, Jamel Chouaibi. "Gender diversity, financial performance, and the moderating effect of CSR: empirical evidence from UK financial institutions", Corporate Governance: The International Journal of Business in Society, 2023 Publication	<1 %
10	Abbas Abdelrahman Adam Abdalla, Ahmad Yuosef Alodat, Zalailah Salleh, Waleed M Al-Ahdal. "The effect of audit committee effectiveness, internal audit size and outsourcing on greenhouse gas emissions disclosure", International Journal of Disclosure and Governance, 2025 Publication	<1 %
11	ijsra.net Internet Source	<1 %

Exclude quotes	On	Exclude matches	Off
Exclude bibliography	On		

Turnitin Originality Report

Processed on: 20-Jun-2025 14:10 WIB
ID: 2702748600
Word Count: 7304
Submitted: 1

IS IT TRUE THAT CSR MEDIATES THE PROPORTION OF INDEPENDENT COMMISSIONER AND AUDIT COMMITTEE SIZE ON FIRM VALUE? By Ukdc Perpustakaan 2

Similarity Index	Similarity by Source
12%	Internet Sources: 9% Publications: 3% Student Papers: 2%

8% match (Internet from 02-Dec-2024)
http://iaijawatimur.or.id/storage/app/uploads/public/669/dee/d77/669deed7771b9073010910.pd

1% match (student papers from 27-May-2025)
Submitted to Fateh Institute of Health Science on 2025-05-27

1% match (Issal Haj-Salem, Salma Damak Ayadi, Khaled Hussainey. "The joint effect of corporate risk disclosure and corporate governance on firm value", International Journal of Disclosure and Governance, 2020)
Issal Haj-Salem, Salma Damak Ayadi, Khaled Hussainey. "The joint effect of corporate risk disclosure and corporate governance on firm value", International Journal of Disclosure and Governance, 2020

< 1% match (student papers from 18-May-2016)
Submitted to Universiti Malaysia Perlis on 2016-05-18

< 1% match (Ganesh Krishnamoorthy, Liesbeth Bruynseels, Sander De Groote, Arnie Wright, Mathijs Van Peteghem. "The Accounting Financial Expertise of the Audit Committee Chair And Oversight Effectiveness", AUDITING: A Journal of Practice & Theory, 2022)
Ganesh Krishnamoorthy, Liesbeth Bruynseels, Sander De Groote, Arnie Wright, Mathijs Van Peteghem. "The Accounting Financial Expertise of the Audit Committee Chair And Oversight Effectiveness", AUDITING: A Journal of Practice & Theory, 2022

< 1% match (student papers from 26-Apr-2016)
Submitted to Universiti Malaysia Pahang on 2016-04-26

< 1% match (Maya Novitasari, Zeplin Jiwa Husada Tarigan. "The Role of Green Innovation in the Effect of Corporate Social Responsibility on Firm Performance", Economies, 2022)
Maya Novitasari, Zeplin Jiwa Husada Tarigan. "The Role of Green Innovation in the Effect of Corporate Social Responsibility on Firm Performance", Economies, 2022

< 1% match (student papers from 17-May-2025)
Submitted to National Economics University on 2025-05-17

< 1% match (Hanen Ben Fatma, Jamel Chouaibi. "Gender diversity, financial performance, and the moderating effect of CSR: empirical evidence from UK financial institutions", Corporate Governance: The International Journal of Business in Society, 2023)
Hanen Ben Fatma, Jamel Chouaibi. "Gender diversity, financial performance, and the moderating effect of CSR: empirical evidence from UK financial institutions", Corporate Governance: The International Journal of Business in Society, 2023

< 1% match (Abbas Abdelrahman Adam Abdalla, Ahmad Yuosef Alodat, Zalailah Salleh, Waleed M Al-Ahdal. "The effect of audit committee effectiveness, internal audit size and outsourcing on greenhouse gas emissions disclosure", International Journal of Disclosure and Governance, 2025)
Abbas Abdelrahman Adam Abdalla, Ahmad Yuosef Alodat, Zalailah Salleh, Waleed M Al-Ahdal. "The effect of audit committee effectiveness, internal audit size and

outsourcing on greenhouse gas emissions disclosure", International Journal of Disclosure and Governance, 2025

< 1% match (Internet from 14-Feb-2024)
https://ijsra.net/sites/default/files/IJSRA-2024-0171.pdf

IS IT TRUE THAT CSR MEDIATES THE PROPORTION OF INDEPENDENT COMMISSIONER AND AUDIT COMMITTEE SIZE ON FIRM VALUE? DI KONFERENSI INTERNASIONAL KRA XI TAHUN 2024 Abstract This study examines the influence of the Proportion of Independent Commissioners (PIC) and Audit Committee Sizes (ACS) on Firm Value (FV) through CSR. The data were obtained from the Indonesia Stock Exchange, resulting in unbalanced data do to the focus on companies that issued CSR reports from 2018 to 2021, totaling 220 company-year observations. Data analysis was conducting using Eviews 9. The direct analysis indicates that PIC negatively affects both FV and CSR, meaning that an increase in PIC leads to a decrease in both FV and CSR. On the other hand, ACS positively influences CSR and FV, indicating that an increase in ACS leads to an increase in both CSR and FV. Additionally, CSR positively affects FV. Indirect relationship testing shows that (1) CSR mediates the negative effect of PIC on FV; (2) CSR mediates the positive effect of ACS on FV. This study enriches governance research by considering PIC and ACS as factors influencing FV. It contributes to the literature by providing significant relationships between corporate governance mechanisms in all sector listed on the Indonesia Stock Exchange that issue CSR reports. Keywords: Proportion Independent Commisioner, Audit Committee Size, Firm Value, Corporate Social Responsibility. Abstrak Penelitian ini bertujuan untuk menguji pengaruh proporsi komisaris independen dan ukuran komite audit terhadap nilai perusahaan melalui CSR. Data diperoleh dari Bursa Efek Indonesia, menggunakan data yang tidak seimbang karena fokus pada perusahaan yang menerbitkan laporan CSR dari tahun 2018 sampai 2021, dengan total 220 observasi tahun perusahaan. Pengolahan data dilakukan dengan Eviews 9. Pengolahan langsung menunjukkan bahwa PIC berpengaruh terhadap nilai perusahaan dan CSR dengan arah negatif, artinya ketika PIC bertambah, maka nilai perusahaan maupun CSR akan turun. Sementara ACS berpengaruh terhadap CSR dan nilai perusahaan dengan arah positif, artinya semakin naik ACS maka CSR serta nilai perusahaan akan bertambah. CSR juga berpengaruh terhadap nilai perusahaan dengan arah positif. Pengujian hubungan tidak langsung menunjukkan bahwa (1) CSR memediasi PIC terhadap nilai perusahaan dengan arah negatif; (2) CSR memediasi ACS terhadap nilai perusahaan dengan arah positif. Studi ini memperkaya penelitian mengenai tata kelola dengan mempertimbangkan PIC dan ACS yang memengaruhi nilai perusahaan. Penelitian ini memberikan kontribusi terhadap literatur dengan menyediakan hubungan signifikan antara mekanisme tata kelola perusahaan di semua sektor yang terdaftar di BEI, yang menerbitkan laporan CSR. Kata Kunci: Proporsi Komisaris Independen, Ukuran Komite Audit, Nilai perusahaan, Tanggung Jawab Sosial Perusahaan. 1. Introduction Company value is an important factor to study because it represents the amount that would be paid when the company is sold. In the manufacturing industry, company value has gradually decreased (Moktadir et al. 2019). Nowadays, companies are becoming more environmentally conscious, as evidenced by environmental disclosures being a prominent and important aspect in a country (Su, Hu, and Zhang 2023). Experienced directors can influence the disclosure of company environmental information, such as environmental regulations (Pactwa, Woźniak, and Dudek 2021), the legal environment (Liu and Liu 2022), and corporate governance (Samara et al. 2018). Corporate environmental governance is related to company value, from both short-trem adn long-trem prespectives (Fu et al. 2024). Currently, environmental degredation and conservation are becoming increasingly important issues, including climate change (Cifuentes-Faura 2021). Actions to improve human well-being, the planet, prosperity, and peace are part of the 2030 Agenda (Lafuente-Lechuga, Cifuentes-Faura, and Faura-Martínez 2020). This requires the participation of all countries, citizens, and stakeholders to promote a fair and sustainable society (Khurshid, Khan, and Cifuentes-Faura 2023); (Lorente et al. 2023). CSR structures can influence a company's Financial Perfrmance (Seo, Luo, and Kaul 2021). CSR disclosure can build a trusted image and send positive signals to stakeholders (Garanina and Aray 2021). CSR disclosure enables companies to gain legitimacy in national and international markets in Russian Companies (Aray et al. 2021); (Garanina and Kim 2023). The primary mechanism of business governance includes the board of directors, which has two functions: oversight and advisory (Su, Hu, and Zhang 2023). The distribution of control among corporate participants constitutes the definition of corporate governance (CG) (Bacq and Aguilera 2022). When CG is effective, it can eliminate corporate earnings management, increase commitment to social responsibility, and promote sustainable development (Wang, Weng, and Wang 2021). Agent behavior can be monitored and conflicts between agents and principlas reduced through effective CG mechanisms (Panda and Leepsa 2017). Companies with effective governance need to disclose information related to the environment (Li et al. 2022). Managers tend to gain additional benefits and power, potentially harming shareholders (Karpoff 2021). Board members with international experience can influence the operational aspects of the company, including CSR commitments (Islam et al. 2021), and company performance. Another element of CG is the size of audit committee. The audit committee significantly influences the value of companies in Jordan (Zraiq and Fadzil 2018). This research builds upon (Hermanto, Lusy, and Widyastuti 2021). The difference from previous research lies in the elements of CG studied and the research object. Companies play a crucial role in environmental protection, thus contributing to the promotion of sustainable products and services (Pizzi et al. 2020); (Zhang, Wang, and Dong 2023). The topic of CSR has become a major issues as it aims to reduce the social and environmental consequences of a company's activities (Miloud 2024). CSR activities for suppliers have a positive impact on the company's value (Choi, Lee, and Choi 2023). CSR activities have the potential to increase a company's value (Lee and Choi 2021). CSR-related activities can enhance social performance and drive innovation (Awan and Sroufe 2020). Investments in CSR typically require support from controlling shareholders (Nguyen, Kecskés, and Mansi 2020). In pandemic situations, CSR activities aimed at fostering sustainable relationships with suppliers can significantly impact a company's value (Golubeva 2021). The relevance of CSR concerning social and environmental issues worldwide indicates a shift in business paradigms (Mariani, Al-Sultan, and De Massis 2023). CG can facilitate the creation of FV (Whittingham et al. 2023). The system applied to manage a company, with the goal of enhancing long-term shareholder value, is the definition of CG (Sugosha and Artini 2020). Several studies determine the factors influencing changes in FV (Endri and Fathony 2020); (Gerged and Agwili 2020); (Jeroh 2020). Goor Corporate Governance (GCG) can lead to better sustainability disclosure (Miloud 2024). GCG can create value (Sarker and Hossain 2023). The primary concern of every business organization is to have high corporate value as it relates to investor investment decisions (Bassey, Ukpe, and Solomon 2017). The market value of a company can be indicated by stock prices, which can enhance shareholder prosperity (Ibrahim 2020). Conversely, some studies show that board size is negatively related to the value of financial institutions in Europe (Ben- Fatma and Chouaibi 2023). Board independence is a critical component of the board structure. Several studies indicate that board independence affects FV (Agarwal and Singh 2021); and (Al-Farooque, Buachoom, and Hoang 2019). There is study showing that board independence has different effects on FV in a country (Kao, Hodgkinson, and Jaafar 2019). GCG can reduce the influence of earnings management on FV (Hong et al. 2023). One element of CG is the presence of an audit committee. The independence of the audit committee is a critical characteristics that affects the committee's efficiency in managing financial reporting processes (Baxter and Cotter 2009). The audit committee can also significantly influence FV (Al-Okaily and Naueihed 2020). Conversely, some studies indicate that smaller audit committees can also enhance FV (AL- Matari et al. 2012). Research on 63 companies in Jordan showed no significant relationship between factors of audit committee effectiveness and dividend distribution (Nimer, Warrad, and Khuraisat 2012). There are also research findings indicating that the audit committee has a significant impact on FV in Jordan (Zraiq and Fadzil 2018). This research examines CG in terms of the Proportion of Independent Commisioners (PIC) dan Audit Committee Size (ACS) as independent variables. The novelty of the model lies in CSR as a mediating variable between the independent variables and FV. This study provides a unique model of the extent to which PIC and ACS, as elements of CG, with CSR as a mediating variable, affect FV. The uniqueness of this research compared the previous ones lies in measuring CG and the research model that places CSR as a mediating variable. Thus, this research adds insights into the literature on independent variables, with CSR as a mediating variable affecting FV.

2. Theoretical Framework and Hypothesis Development Several studies on the factors underlying changes in FV in emerging markets have begun to emerge ((Endri and Fathony 2020); and (Jeroh 2020)). This research is based on Agency Theory, which states that larger boards have greater control over Top Management, leading to a positive relationship between board size and FV (Rossi et al. 2021). Some studies indicate that larger boards have more control over top management, and directors can monitor tasks and performance wisely, thereby increasing FV (Yanti and Patrisia 2019). Conversely, some research argues that smaller boards can achieve higher FV because of their ability to communicate and coordinate effectively (Salem et al. 2019). Smaller boards help make better decisions due to easier coordination among board members with less communication, making them more efficient and increasing FV (Zabri, Ahmad, and Wah 2016). Another theory underlying this research is the Resource Dependence Theory (RDT) (Ben-Fatma and Chouaibi 2023). This theory focuses on the role of the board of directors in providing access to resources, including economic, informational, skills, and knowledge resources necessary for business success. Having a larger board can provide opportunities for resource access, which can improve company performance (Kiharo and Kariuki 2018); (Waheed and Malik 2019). Typically, board members have strong external connections in networks, which positively influence long-term company development (Salem et al. 2019). Integrating the governance structure of a company will result in maximizing resources that can enhance FV (Kiharo and Kariuki 2018). According to the RDT, a larger and more experienced board can provide opportunities for relationships and access to resources, thereby improving FV (Kiharo and Kariuki 2018); (Waheed and Malik 2019). Another theory underlying this research is the Signalling Theory. Companies that implement CSR are considered signals used by organizations to reduce information asymmetry in the market and to demonstrate sustainability commitmentAccording to Signaling Theory, CSR sommunication is an important signal to show a company’s commitment (Saxton et al. 2019). Voluntary disclosure of CSR is essential from the perspective of signaling theory when competing in the capital market (Maqbool and Zameer 2018). 2.1 The Importance of CG CG plays a crucial role in overseeing companies (Ben-Fatma and Chouaibi 2023). Well-managed companies will experience sustainable growth (Singh and Pillai 2022). Come attributes of CG that influence FV are still limited (Noguera 2020). Research shows a negative relationship between board size (an attribute of CG) and FV, proving that smaller boards achieve higher FV because they can coordinate and make more effective decisions (Kao, Hodgkinson, and Jaafar 2019). Smaller boards help make better decisions due to less communication, thus aiding in efficiency and increasing FV (Zabri, Ahmad, and Wah 2016). This study uses an independent board as a fundamental CG mechanism (Ben-Fatma and Chouaibi 2023). The presence of independent directors plays a crucial role in providing adequate information and leads to higher FV in Nigeria (Ahmad and Sallau 2018). The independence of independent directors can enhance the board’s effectiveness in overseeing management, thus avoiding misleading financial reporting (Kiharo and Kariuki 2018). Conversely, some studies show no significant relationship between board independence and FV (Mukhtaruddin, Relasari, and Felmania 2014). That’s why the PIC variable is worthy of investigation due to inconsistent research results. This study is unique because it chooses the PIC, measured by the percentage of independent commissioners compared to the total number of board members. A GCG system certainly leverages resources and adheres to principles of accountability and responsibility (Pramani et al. 2023). Companies in developing countries can reduce their agency costs by implementing good governance practices (Arora and Sharma 2016). The audit committee plays a crucial role in assisting the board in fulfilling its oversight duties (Pramani et al. 2023). Companies with independent audit committees make financial investors trust the quality of financial information provided (Srivastava, Das, and Pattanayak 2019). A larger audit committee results in better management policies, including compliance with CG (Ntim et al. 2012). That’s why the larger size of the audit committee in a company, the better compliance with CG. This study aligns with (A. R. Crişan and Fülöp 2014), which shows a positive influence of audit committee size on compliance with CG. This research is unique in using PIC and ACS as attributes of CG. 2.2 The Importance of CSR CG is a set of processes, rules, and structures aimed at controlling and leading an organization (Evers, Gerschewski, and Khan 2023). Companies that comply with CG regulations are crucial for achieving legitimacy in the eyes of society. Strong internal governance, measured by board independence, makes voluntary and detailed disclosure of carbon

emissions more likely (Park, Lee, and Shin 2023). Strong internal governance tends to make companies voluntarily disclose their environmental information (Tsang, Xie, and Xin 2019). Research on CSR-related compensation can enhance CSR performance (Baraibar-Diez, Odriozola, and Fernández-Sánchez 2019). Some research shows a negative relationship between CSR and companies operating in Europe and North America compared to the Asia-Pacific region (Jo and Park 2020). CSR serves as a signal to the market to reduce information asymmetry between managers and stakeholders, thus enhancing FV (Zerbini 2017). Research in Australia shows that board independence positively affects carbon disclosure (Elsayih, Tang, and Lan 2018). Companies implementing CSR are associated with lower stock market volatility and better stock liquidity (Egginton and McBrayer 2019); (Shakil 2021). CSR also brings risk management benefits (Kim, Lee, and Kang 2021). The composition of the board of directors as part of the CG mechanism can determine the value of the company (Ben-Fatma and Chouaibi 2023). This research uses PIC and ACS as elements of CG. The study also uses CSR as a mediating variable affecting FV. Hypotheses 1 and 2 related to PIC and ACS use Agency Theory (Yanti and Patrisia 2019). Hypotheses 5 and 6 use RDT (Ben-Fatma and Chouaibi 2023). The linkage of CSR in typotheses 3 and 4 is supported by signaling theory because CSR is a signal used to reduce information asymmetry in the market and demonstrate commitment to sustainability (Conte et al. 2023). The research Framework is shown in Figure 1 below. Proportion Independent Commissioner (PIC) H3 Figure 1. Conceptual framework H1 Corporate Social H5 Responsibility (CSR) Firm Value (FV) H4 H2 Audit Committee Size (ACS) 2.3 Proportion Independent Commisioner (PIC) An independent board has directors from outside the company the majority, who are not affiliated with the company's top executives and have business unrelated to the company to avoid potential conflicts of interest (Kiharo and Kariuki 2018). Agency theory and RDT indicate a positive effect of independent directors on FV, albeit in different ways (Salem et al. 2019). External parties as a mechanism connecting the company with its environment can support managers in achieving organizational goals (Kiptoo, Kariuki, and Ocharo 2021). The more independent directors on the board, the more positive signal it sends to investors and shareholders, demonstrating effective monitoring of the company, thus enhancing public trust and ultimately increasing FV (Wu 2021); (Sheikh, Wang, and Khan 2013). Independent directors play a crucial role in making company operations more efficient and increasing FV (Van-Khanh et al. 2020). Research on the Nairobi Securities Exchange shows that the presence of independent directors is positively related to the market value of insurance sector companies (Mweta and Mungai 2018). PIC measurement is percentage of proportion of the number of independent commissioner relative to number of Board Members. Based on the literature above, the hypothesis related to PIC is: H1. Hypothesis one. PIC has a significant effect on FV H3. Hypothesis three. PIC has a significant effect on CSR 2.4 Audit Committee size (ACS) The responsibilities of the audit committee include monitoring the financial reporting process and the effectiveness of internal controls. The Audit Committee is a key element in CG. It plays a significant role in decision-making within company and assists the Board of Directors, management, internal audit, and external audit (Andrei Răzvan Crişan and Fülöp 2014). The independence of the audit committee positively affects company performance (Chan and Li 2008). Audit committee functions as a guardian of financial reporting quality and the audit process (Bruynseels and Cardinaels 2014). Research in Europe on CG shows a positive relationship between audit committee independence and reporting quality (De-Vlaminck and Sarens 2015). The size of the audit committee has an impact on the value of companies in Jordan (Hamdan, Sarea, and Reyad 2013). These findings are consistent with (Al-Okaily and Naueihed 2020). A larger audit committee is better at detecting financial fraud and has a positive impact on FV (Chi, Huang, and Xie 2015); (Elewa and El-Haddad 2019). ACS measurement is number of audit committee members. Based on this research, the hypothesis of this study is: H2. Hypothesis two. ACS has a significant effect on FV. H4. Hypothesis four. ACS has a significant effect on CSR. 2.5 Corporate Social Responsibility (CSR) CSR has become a significant concern for stakeholders, not only for large corporations but also a necessity for all businesses and companies (Diab and Metwally 2020). Disclosing information about social and environmental issues in financial and non-financial reports Is done to strengthen legitimacy, trust, and transparency (Martínez-Ferrero, Banerjee, and García-Sánchez 2016). CSR activities conducted by companies demonstrate ethical behavior (Gao and Zhang 2015). The disclosed CSR aims to reduce existing risks, build a credible image, and send positive signals to stakeholders (Boubakri et al. 2021). Several studies show a positive relationship between CSR disclosure and FV (Buchanan, Cao, and Chen 2018); (Chen, Hung, and Wang 2018). CSR as a communication tool with stakeholders can reduce conflicts of interest between managers and various non-investor stakeholders (Mohmed, Flynn, and Grey 2020). Implementing CSR by companies results in a better information environment and reduce information asymmetry between the company and stakeholders (Cui, Jo, and Na 2018). Better CSR performance improves stock liquidity (Shakil 2021). Research conducted in 34 countries shows that board independence has a positive effect on CSR performance (Liao et al. 2021). CSR measurement is number of item disclosed by companies relative to number of item based on GRI. The measurement of a FV using Tobin's Q. Based on the mentioned points, this study hypothesizes that: H5. Hypothesis five. CSR has a significant effects on FV. H6. Hypothesis six.CSR has mediating effects on the relationship between PIC on FV. H7. Hypothesis seven.CSR has mediating effects on the relationship between ACS on FV. 3. Research Method This study uses a quantitative approach the influence of the Proportion of Independent Commissioners (PIC) and Audit Committee Sizes (ACS) on Firm Value (FV) through CSR. The data were obtained from the Indonesia Stock Exchange with population of all sectors of companies listed on the Indonesian Stock Exchange and publishes CSR reports, resulting in unbalanced data due to the focus on companies that issued CSR reports from 2018 to 2021, totaling 220 company-year observations. Data analysis was conducting using Eviews 9. 4. Results Table 1. Results of Direct Influence Testing Direct Influence Path Coefficient P-value Conclution Proportion Independent Commissioner (PIC) -> CSR -0.111 0.006 Significant Audit Committee Size (ACS) -> CSR 0.048 0.000 Significant Proportion Independent Commissioner (PIC) -> FV -0.239 0.045 Significant Audit Committee Size (ACS) -> FV 0.057 0.002 Significant CSR -> FV 1.754 0.000 Significant Source: Data processed by researchers The testing of PIC shows that PIC has an effect on FV, so hypothesis 1 is accepted with a negative direction, meaning that each increase in PIC by one unit results in a decrease in FV by 0.239 and vice versa. The testing results of PIC on CSR are accepted (Hypothesis 3) with a negative direction, indicating that each decrease in one unit of PIC results in an increase in CSR by 0.111. This research aligns with (Agarwal and Singh 2021); (Al-Farooque, Buachoom, and Hoang 2019); (Mweta and Mungai 2018). The results of ACS on FV show a value < 0.05, with a positive direction (hypothesis 2 is accepted), meaning that each increase in one unit of ACS results in an increase in FV by 0.057. The testing of ACS on CSR shows that ACS has an effect on CSR with a positive direction (hypothesis 4 is accepted), meaning that each decrease in one unit of ACS will cause a decrease in CSR by 0.048. Meanwhile, the testing of CSR on FV shows that hypothesis 5 is accepted with a positive direction, meaning that each increase in one unit of CSR will result in an increase in FV by 1.754. This is in line with research on audit committees from (Abernathy et al. 2014); (Ghafran and Yasmin 2018); (Ghafran and O'Sullivan 2017); and (Chiru and Gherghina 2019). Table 2. Results of Indirect Effect Testing Indirect Effect Path Coefficient P-value Proportion Independent Commissioner (PIC) -> CSR -> FV -0.194 0.009 Audit Committee Size (ACS) -> CSR -> FV 0.084 0.000 Source: Data processed by researchers The indirect effect of PIC on FV through CSR shows a significance of 0.009, meaning thpothesis 6 is accepted with a negative direction. Thus, it can be concluded that CSR mediates the effect of PIC on FV. The indirect effect of ACS on FV through CSR shows a significance of 0.000 meaning hypothesis 7 is accepted with a positive direction, indicating that CSR mediates the effect of ACS on FV. This is consistent with the research of (Garanina and Aray 2021); (Garanina and Kim 2023); (Seo, Luo, and Kaul 2021). 5. Conclusion Based on data processing with Eviews 9, it is shown that PIC hurts FV and CSR, which is consistent with research on financial institutions in Europe (Ben-Fatma and Chouaibi 2023). A smaller board can achieve higher FV because it can coordinate, communicate, and make decisions more effectively (Kao, Hodgkinson, and Jaafar 2019); and (Zabri, Ahmad, and Wah 2016). ACS has a positive impact on both FV and CSR. This is consistent with research in Jordan (Hamdan, Sarea, and Reyad 2013); and (Elewa and El-Haddad 2019). CSR also influences FV and serves as a mediating variable for both PIC and ACS on FV. This is in line with research by (Buchanan, Cao, and Chen 2018); (Shakil 2021). The findings of this study support agency theory, resource dependence theory, and signaling theory. This study fills gaps in the literature related to PIC and ACS, especially in developing countries like Indonesia facing challenges in both environmental and economic

aspects. The study also contributes to accounting literature by highlighting the role of PIC and ACS in enhacing FV and sustainability. Practical implications suggest that GCG creates value and is beneficial for all stakeholders.
Acknowledgment We would like to express our gratitude to Universitas Katolik Darma Cendika for the support that enabled us to complete this research successfully.
Reference Abernathy, J. L., B. Beyer, A. Masli, and C. Stefaniak. 2014. "The Association Between Characteristics of Audit Committee Accounting Experts, Audit Committee Chairs, and Financial Reporting Timeliness." Advances in Accounting 30(2): 283–97. http://dx.doi.org/10.1016/j.adiac.2014.09.001. Abernathy, J. L., B. Beyer, A. Masli, and C. Stefaniak. 2014. "The Association Between Characteristics of Audit Committee Accounting Experts, Audit Committee Chairs, and Financial Reporting Timeliness." Advances in Accounting 30(2): 283–97. http://dx.doi.org/10.1016/j.adiac.2014.09.001. Agarwal, S., and A. Singh. 2021. "Corporate Governance: Literature Review on Agency Costs and Pieces of Evidence on Different Perspectives." The IUP Journal of Corporate Governance 20(2): 49–74. Ahmad, H S, and M M Sallau. 2018. "Corporate Governance and the Market Value of Listed Deposit Money Banks in Nigeria." Accounting & Taxation Review 2(2): 28–42. http://www.atreview.org. Al-Farooque, O., W. Buachoom, and N. Hoang. 2019. "Interactive Effects of Executive Compensation, Firm Performance and Corporate Governance: Evidence from An Asian Market." Asia Pacific Journal of Management 36(4): 1111–64. AL-Matari, Yahya, A. K. Al-Swidi, F. H. B. Fadzil, and E. M. Al-Matari. 2012. "Board of Directors , Audit Committee Characteristics and the Performance of Public Listed Companies in Saudi Arabia." International Reveiw of Management and Marketing 2(4): 241–51. Al-Okaily, J., and S. Naueihed. 2020. "Audit Committee Effectiveness And Family Firms: Impact on Performance." Management Decision 58(6): 1021–34. Aray, Y., D. Dikova, T. Garanina, and A. Veselova. 2021. "The Hunt for International Legitimacy: Examining The Relationship Between Internationalization, State Ownership, Location and CSR Reporting of Russian Firms." International Business Review 30(5): 101858. https://doi.org/10.1016/j.ibusrev.2021.101858. Arora, A., and C. Sharma. 2016. "Corporate Governance And Firm Performance In Developing Countries: Evidence From India." Corporate Governance (Bingley) 16(2): 420–36. Awan, U., and R. Sroufe. 2020. "Interorganisational Collaboration for Innovation Improvement in Manufacturing Firms's: The Mediating Role of Social Performance." International Journal of Innovation Management 24(5): 1–23. Bacq, S., and R. V. Aguilera. 2022. "Stakeholder Governance for Responsible Innovation: A Theory of Value Creation, Appropriation, and Distribution." Journal of Management Studies 59(1): 29–60. Baraibar-Diez, E., M. D. Odriozola, and J. L. Fernández-Sánchez. 2019. "Sustainable Compensation Policies and Its Effect On Environmental, Social, and Governance Scores." Corporate Social Responsibility and Environmental Management 26(6): 1457–72. Bassey, N. E., O. U. Ukpe, and U. U. Solomon. 2017. "The Effect of Capital Structure Choice on The Performance of Corporate Organizations: A Acase of Quoted Agro-Based Firms in Nigeria." Bulletin of Business and Economics (BBE) 6(2): 58–67. Baxter, P., and J. Cotter. 2009. "Audit Committees and Earnings Expectations Management." Accounting and Finance 49(225): 267–90. Ben-Fatma, H., and J. Chouaibi. 2023. "Corporate Governance and Firm Value: A Study On European Financial Institutions." International Journal of Productivity and Performance Management 72(5): 1392– 1418. Boubakri, N., S. El Ghoul, O. Guedhami, and H. Wang. 2021. "Corporate Social Responsibility In Emerging Market Economies: Determinants, Consequences, and Future Research Directions." Emerging Markets Review 46(June 2020): 100758. https://doi.org/10.1016/j.ememar.2020.100758. Bruynseels, L., and E. Cardinaels. 2014. "The Audit Committee : Management Watchdog or Personal Friend of the CEO ?" The accounting review 89(1): 113–45. Buchanan, B., C. X. Cao, and C. Chen. 2018. "Corporate Social Responsibility, Firm Value, and Influential Institutional Ownership." Journal of Corporate Finance 52(June): 73–95. https://doi.org/10.1016/j.jcorpfin.2018.07.004. Chan, K. C., and J. Li. 2008. "Audit Committee and Firm Value: Evidence on Outside Top Executives As Expert-Independent Directors." Corporate Governance: An International Review 16(1): 16–31. Chen, Yi-chun, Mingyi Hung, and Yongxiang Wang. 2018. "The Effect of Mandatory CSR Disclosure on Firm Profitability and Social Externalities : Evidence from China." Journal of Accounting and Economics 65(1): 169–90. https://doi.org/10.1016/j.jacceco.2017.11.009. Chi, W., H. Huang, and H. Xie. 2015. "A Quantile Regression Analysis On Corporate Governance And The Cost of Bank Loans: A Research Note." Review of Accounting and Finance 14(1): 2–19. Chiru, M., and S. Gherghina. 2019. "Committee Chair Selection Under High

Informational and Organizational Constraints.” Party Politics 25(4): 547–58. Choi, S. U., W. J. Lee, and N. H. Choi. 2023. “Corporate Social Responsibility and Firm Value During the COVID-19 Pandemic.” Management Decision 61(10): 3169–94. Cifuentes-Faura, J. 2021. “COVID-19 and The Opportunity to Create A Sustainable World Through Economic and Political Decisions.” World Journal of Science, Technology and Sustainable Development 18(4): 417–21. Conte, F., D. Sardanelli, A. Vollero, and A. Siano. 2023. “CSR Signaling in Controversial And Noncontroversial Industries: CSR Policies, Governance Structures, And Transparency Tools.” European Management Journal 41(2): 274–81. https://doi.org/10.1016/j.emj.2021.12.003. Crişan, A. R., and M. T. Fülöp. 2014. “The Role of the Audit Committee in Corporate Governance – Case Study for a Sample of Companies Listed on BSE and the London Stock Exchange - FTSE 100.” Procedia Economics and Finance 15(14): 1033–41. Crişan, Andrei Răzvan, and Melinda Timea Fülöp. 2014. “The Role of the Audit Committee in Corporate Governance – Case Study for a Sample of Companies Listed on BSE and the London Stock Exchange - FTSE 100.” Procedia Economics and Finance 15(14): 1033–41. Cui, J., H. Jo, and H. Na. 2018. “Does Corporate Social Responsibility Affect Information Asymmetry?” Journal of Business Ethics 148(3): 549–72. De-Vlaminck, N., and G. Sarens. 2015. “The Relationship Between Audit Committee Characteristics And Financial Statement Quality: Evidence from Belgium.” Journal of Management and Governance 19(1): 145–66. Diab, A., and A. B. M. Metwally. 2020. “Institutional Complexity And CSR Practices: Evidence From a Developing Country.” Journal of Accounting in Emerging Economies 10(4): 655–80. Egginton, J. F., and G. A. McBrayer. 2019. “Does It Pay to Be Forthcoming? Evidence From CSR Disclosure and Equity Market Liquidity.” Corporate Social Responsibility and Environmental Management 26(2): 396–407. Elewa, M. M., and R. El-Haddad. 2019. “The Effect of Audit Quality on Firm Performance: A Panel Data Approach.” International Journal of Accounting and Financial Reporting 9(1): 229. Elsayih, J., Q. Tang, and Y. C. Lan. 2018. “Corporate Governance and Carbon Transparency: Australian Experience.” Accounting Research Journal 31(3): 405–22. Endri, E., and M. Fathony. 2020. “Determinants of Firm’s Value: Evidence From Financial Industry.” Management Science Letters 10(1): 111–20. Evers, N., S. Gerschewski, and Z. Khan. 2023. “Corporate Governance in International New Ventures And Born Global Firms.” International Small Business Journal: Researching Entrepreneurship 41(6): 569–89. Fu, H., Q. Jiang, J. Cifuentes-Faura, and Q. Chen. 2024. “Corporate Environmental Governance and Firm Value: Beyond Greenwashing for Sustainable Development.” Environment, Development and Sustainability (0123456789). https://doi.org/10.1007/s10668-023-04375-7. Gao, L., and J. H. Zhang. 2015. “Firms’ Earnings Smoothing, Corporate Social Responsibility, and Valuation.” Journal of Corporate Finance 32: 108–27. http://dx.doi.org/10.1016/j.jcorpfin.2015.03.004. Garanina, T., and Y. Aray. 2021. “Enhancing CSR Disclosure Through Foreign Ownership, Foreign Board Members, and Cross-Listing: Does It Work in Russian Context?” Emerging Markets Review 46(February 2020): 100754. https://doi.org/10.1016/j.ememar.2020.100754. Garanina, T., and O. Kim. 2023. “The Relationship Between CSR Disclosure and Accounting Conservatism: The Role of State Ownership.” Journal of International Accounting, Auditing and Taxation 50: 100522. https://doi.org/10.1016/j.intaccaudtax.2023.100522. Gerged, A. M., and A. Agwili. 2020. “How Corporate Governance Affect Firm Value and Profitability? Evidence from Saudi Financial and Non-Financial Listed Firms.” International Journal of Business Governance and Ethics 14(2): 144–65. Ghafran, C., and N. O’Sullivan. 2017. “The Impact of Audit Committee Expertise on Audit Quality: Evidence from UK Audit Fees.” British Accounting Review 49(6): 578–93. https://doi.org/10.1016/j.bar.2017.09.008. Ghafran, C., and S. Yasmin. 2018. “Audit Committee Chair and Financial Reporting Timeliness: A Focus on Financial, Experiential and Monitoring Expertise.” International Journal of Auditing 22(1): 13– 24. Golubeva, O. 2021. “Firms’ Performance During The COVID-19 Outbreak: International Evidence From 13 Countries.” Corporate Governance (Bingley) 21(6): 1011–27. Hamdan, A. M., A. M. Sarea, and S. M. R. Reyad. 2013. “The Impact of Audit Committee Characteristics on The Performance: Evidence From Jordan.” International Management Review 9(1): 32–42. Hermanto, Y. B., L. Lusy, and M. Widyastuti. 2021. “How Financial Performance and State-Owned Enterprise (Soe) Values Are Affected by Good Corporate Governance and Intellectual Capital Perspectives.” Economies 9(4). Hong, N. T. H., N. T. Anh, N. T. V. Hoang, and D. N. Minh. 2023. “Corporate Governance, External Financing, and Earnings Management: New Evidence From An Emerging Market.” Future Business Journal

9(1). https://doi.org/10.1186/s43093-023-00206-3. Ibrahim, U. A. 2020. "Effect of Financial Leverage on Firm Value: Evidence From Selected Firms Quoted on the Nigerian Stock Exchange." European Journal of Business and Management 12(3): 124–35. Islam, M. M. N., D. Wu, M. Usman, and M. I. Nazir. 2021. "The Impact of CEO's Personal Characteristics on Corporate Social Responsibility: Evidence From Bangladesh." Independent Journal of Management & Production 12(1): 032–053. Jeroh, E. 2020. "Corporate Financial Attributes and The Value of Listed Financial Service Firms: The Nigerian Evidence." Academy of Accounting and Financial Studies Journal 24(2): 1–13. Jo, H., and K. Park. 2020. "Controversial Industries, Regional Differences, and Risk: Role of CSR*." Asia-Pacific Journal of Financial Studies 49(6): 911–47. Kao, M. F., L. Hodgkinson, and A. Jaafar. 2019. "Ownership Structure, Board of Directors and Firm Performance: Evidence from Taiwan." Corporate Governance (Bingley) 19(1): 189–216. Karpoff, J. M. 2021. "On A Stakeholder Model of Corporate Governance." Financial Management 50(2): 321– 43. Khurshid, A., K. Khan, and J. Cifuentes-Faura. 2023. "2030 Agenda of Sustainable Transport: Can Current Progress Lead Towards Carbon Neutrality?" Transportation Research Part D: Transport and Environment 122(August): 103869. https://doi.org/10.1016/j.trd.2023.103869. Kiharo, M. N., and P. W. Kariuki. 2018. "Corporate Governance Practices and Firm Value of Listed Commercial Banks in Kenya." the International Journal of Business & Management 6(3): 184–92. www.theijbm.com. Kim, S., G. Lee, and H. G. Kang. 2021. "Risk Management and Corporate Social Responsibility." Strategic Management Journal 42(1): 202–30. Kiptoo, I. K., S. N. Kariuki, and K. N. Ocharo. 2021. "Corporate Governance and Financial Performance of Insurance Firms in Kenya." Cogent Business and Management 8(1). https://doi.org/10.1080/23311975.2021.1938350. Lafuente-Lechuga, M., J. Cifuentes-Faura, and Ú. Faura-Martínez. 2020. "Mathematics Applied to the Economy and Sustainable Development Goals: A Necessary Relationship of Dependence." Education Sciences 10(11): 1–12. Lee, W. J., and S. U. Choi. 2021. "Internal and External Corporate Social Responsibility Activities and Firm Value: Evidence from The Shared Growth in The Supply Chain." Borsa Istanbul Review 21(S1): S57–69. https://doi.org/10.1016/j.bir.2021.02.007. Li, Z., T. Zhang, X. Zhao, and Y. Zhu. 2022. "Monitoring or Colluding? Institutional Investors' Heterogeneity and Environmental Information Disclosure Behavior." Frontiers in Psychology 13(June): 1–16. Liao, C. H., Z. San, A. Tsang, and L. Yu. 2021. "Board Reforms Around the World: The Effect on Corporate Social Responsibility." Corporate Governance: An International Review 29(5): 496–523. Liu, X., and F. Liu. 2022. "Environmental Regulation and Corporate Financial Asset Allocation: A Natural Experiment from The New Environmental Protection Law in China." Finance Research Letters 47(PA): 102974. https://doi.org/10.1016/j.frl.2022.102974. Lorente, D. B., K. S. Mohammed, J. Cifuentes-Faura, and U. Shahzad. 2023. "Dynamic Connectedness Among Climate Change Index, Green Financial Assets And Renewable Energy Markets: Novel Evidence from Sustainable Development Perspective." Renewable Energy 204(October 2022): 94–105. https://doi.org/10.1016/j.renene.2022.12.085. Maqbool, S., and M. N. Zameer. 2018. "Corporate Social Responsibility and Financial Performance: An Empirical Analysis of Indian Banks." Future Business Journal 4(1): 84–93. http://dx.doi.org/10.1016/j.fbj.2017.12.002. Mariani, M. M., K. Al-Sultan, and A. De Massis. 2023. "Corporate Social Responsibility in Family Firms: A Systematic Literature Review." Journal of Small Business Management 61(3): 1192–1246. https://doi.org/10.1080/00472778.2021.1955122. Martínez-Ferrero, Jennifer, Shantanu Banerjee, and Isabel María García-Sánchez. 2016. "Corporate Social Responsibility as a Strategic Shield Against Costs of Earnings Management Practices." Journal of Business Ethics 133(2): 305–24. Miloud, T. 2024. "Corporate Governance and CSR Disclosure: Evidence from French Listed Companies." Global Finance Journal 59(February 2022): 100943. https://doi.org/10.1016/j.gfj.2024.100943. Mohmed, A., A. Flynn, and C. Grey. 2020. "The Link Between CSR and Earnings Quality: Evidence from Egypt." Journal of Accounting in Emerging Economies 10(1): 1–20. Moktadir, M. A., S. M. Ali, S. K. Paul, and N. Shukla. 2019. "Barriers to Big Data Analytics in Manufacturing Supply Chains: A Case Study from Bangladesh." Computers and Industrial Engineering 128(April 2018): 1063–75. https://doi.org/10.1016/j.cie.2018.04.013. Mukhtaruddin, Relasari, and M. Felmania. 2014. "Good Corporate Governance Mechanism , Corporate Social Responsibility Disclosure on Firm Value : Empirical Study on Listed Company in Indonesia Stock Exchange." International Journal of Finance & Accounting Studies 2(1): 1–10. Mweta, T. M., and E. N. Mungai. 2018. "Corporate Governance and Firms Market Value: A Case Study of Insurance Sector

Companies Listed at Nairobi Securities Exchange." Journal on Banking Financial Services and Insurance Research 8(6): 18–27. Nguyen, P. A., A. Kecskés, and S. Mansi. 2020. "Does Corporate Social Responsibility Create Shareholder Value? The Importance of Long-Term Investors." Journal of Banking and Finance 112. Nimer, K., L. Warrad, and O. Khuraisat. 2012. "The Effect of Audit Committee's Effectiveness on Dividend Payout Policy: Evidence from the Jordanian Firms." International Journal of Business and Management 7(7): 172–79. Noguera, M. 2020. "Women Directors' Effect on Firm Value and Performance: The Case of REITs." Corporate Governance (Bingley) 20(7): 1265–79. Ntim, C. G., K. K. Opong, J. Danbolt, and D. A. Thomas. 2012. "Voluntary Corporate Governance Disclosures by Post-Apartheid South African Corporations." Journal of Applied Accounting Research 13(2): 122–44. Pactwa, K., J. Woźniak, and M. Dudek. 2021. "Sustainable Social and Environmental Evaluation of Post- Industrial Facilities in a Closed Loop Perspective in Coal-Mining Areas in Poland." Sustainability (Switzerland) 13(1): 1–16. Panda, B., and N. M. Leepsa. 2017. "Agency Theory: Review of Theory and Evidence on Problems and Perspectives." Indian Journal of Corporate Governance 10(1): 74–95. Park, J., J. Lee, and J. Shin. 2023. "Corporate Governance, Compensation Mechanisms, And Voluntary Disclosure of Carbon Emissions: Evidence from Korea." Journal of Contemporary Accounting and Economics 19(3): 100361. https://doi.org/10.1016/j.jcae.2023.100361. Pizzi, S., A. Caputo, A. Corvino, and A. Venturelli. 2020. "Management Research and The UN Sustainable Development Goals (SDGs): A Bibliometric Investigation and Systematic Review." Journal of Cleaner Production 276: 124033. https://doi.org/10.1016/j.jclepro.2020.124033. Pramani, R. G., S. Goel, R. S. Ray, and A. S. Babu. 2023. "Corporate Governance Practices in The Mining Industry of India: An Application of CG Index." Mineral Economics 36(3): 481–98. https://doi.org/10.1007/s13563-023-00363-5. Rossi, M. et al. 2021. "Does a Board Characteristic Moderate the Relationship between CSR Practices and Financial Performance? Evidence from European ESG Firms." Journal of Risk and Financial Management 14(8). Salem, W. F., S. A. Metawe, A. A. Youssef, and M. B. Mohamed. 2019. "Boards of Directors' Characteristics and Firm Value: A Comparative Study between Egypt and USA." OALib 06(04): 1–33. Samara, G., D. Jamali, V. Sierra, and M. J. Parada. 2018. "Who Are The Best Performers? The Environmental Social Performance of Family Firms." Journal of Family Business Strategy 9(1): 33–43. https://doi.org/10.1016/j.jfbs.2017.11.004. Sarker, N., and S. M. K. Hossain. 2023. "Corporate Governance and Firm Value: Bangladeshi Manufacturing Industry Perspective." PSU Research Review. Saxton, G. D. et al. 2019. "Do CSR Messages Resonate? Examining Public Reactions to Firms' CSR Efforts on Social Media." Journal of Business Ethics 155(2): 359–77. Seo, H., J. Luo, and A. Kaul. 2021. "Giving A Little to Many or A Lot to a Few? The Returns to Variety in Corporate Philanthropy." Strategic Management Journal 42(9): 1734–64. Shakil, M. H. 2021. "Environmental, Social and Governance Performance and Financial Risk: Moderating Role of ESG Controversies and Board Gender Diversity." Resources Policy 72(May 2020): 102144. https://doi.org/10.1016/j.resourpol.2021.102144. Sheikh, N. A., Z. Wang, and S. Khan. 2013. "The Impact of Internal Attributes of Corporate Governance On Firm Performance: Evidence From Pakistan." International Journal of Commerce and Management 23(1): 38–55. Singh, K., and D. Pillai. 2022. "Corporate Governance in Small and Medium Enterprises: A Review." Corporate Governance (Bingley) 22(1): 23–41. Srivastava, V., N. Das, and J. K. Pattanayak. 2019. "Impact of Corporate Governance Attributes on Cost of Equity: Evidence From An Emerging Economy." Managerial Auditing Journal 34(2): 142–61. Su, W., X. Hu, and L. Zhang. 2023. "Association Between Directors With Foreign Experience and Firms' Environmental Disclosure." SAGE Open 13(4): 1–22. Sugosha, M. J., and L. G. S. Artini. 2020. "The Role of Profitability in Mediating Company Ownership Structure and Size of Firm Value in The Pharmaceutical Industry on The Indonesia Stock Exchange." International Research Journal of Management, IT and Social sciences 7(1): 104–15. Tsang, A., F. Xie, and X. Xin. 2019. "Foreign Institutional Investors and Corporate Voluntary Disclosure Around The World." Accounting Review 94(5): 319–48. Van-Khanh, V. T., D. N. Hung, V. T. T. Van, and H. T. Huyen. 2020. "A Study On The Effect of Corporate Governance and Capital Structure On Firm Value in Vietnam." Accounting 6(3): 221–30. Waheed, A., and Q. A. Malik. 2019. "Board Characteristics, Ownership Concentration and Firms' Performance: A Contingent Theoretical Based Approach." South Asian Journal of Business Studies 8(2): 146–65. Wang, C. Y., Y. C. Weng, and L. Wang. 2021. "Effect of Air Quality on Corporate Environmental Disclosure: The Moderating Role of Institutional

Investors." Borsa Istanbul Review 21: S1–12. https://doi.org/10.1016/j.bir.2021.02.005. Whittingham, K. L., A. G. Earle, D. I. L. Hiz, and A. Argiolas. 2023. "The Impact of The United Nations Sustainable Development Goals on Corporate Sustainability Reporting." BRQ Business Research Quarterly 26(1): 45–61. Wu, C. H. 2021. "On the Moderating Effects of Country Governance on the Relationships between Corporate Governance and Firm Performance." Journal of Risk and Financial Management 14(3). Yanti, E., and D. Patrisia. 2019. "The Impact of Corporate Governance Mechanisms on Firm Value." Opcion 97(Piceeba): 242–49. Zabri, S. M., K. Ahmad, and K. K. Wah. 2016. "Corporate Governance Practices and Firm Performance: Evidence from Top 100 Public Listed Companies in Malaysia." Procedia Economics and Finance 35(October 2015): 287–96. http://dx.doi.org/10.1016/S2212-5671(16)00036-8. Zerbini, F. 2017. "CSR Initiatives as Market Signals: A Review and Research Agenda." Journal of Business Ethics 146(1): 1–23. Zhang, D., C. Wang, and Y. Dong. 2023. "How Does Firm ESG Performance Impact Financial Constraints? An Experimental Exploration of the COVID-19 Pandemic." European Journal of Development Research 35(1): 219–39. https://doi.org/10.1057/s41287-021-00499-6. Zraiq, M., and F. Fadzil. 2018. "The Impact of Audit Committee Characteristics on Firm Performance: Evidence From Jordan." Scholar Journal of Applied Sciences and Research 1(5): 39–42.

IS IT TRUE THAT CSR MEDIATES THE PROPORTION OF INDEPENDENT COMMISSIONER AND AUDIT COMMITTEE SIZE ON FIRM VALUE?

by Ukdc Perpustakaan 2

IS IT TRUE THAT CSR MEDIATES THE PROPORTION OF INDEPENDENT COMMISSIONER AND AUDIT COMMITTEE SIZE ON FIRM VALUE?
DI KONFERENSI INTERNASIONAL KRA XI TAHUN 2024

Abstract

This study examines the influence of the Proportion of Independent Commissioners (PIC) and Audit Committee Sizes (ACS) on Firm Value (FV) through CSR. The data were obtained from the Indonesia Stock Exchange, resulting in unbalanced data do to the focus on companies that issued CSR reports from 2018 to 2021, totaling 220 company-year observations. Data analysis was conducting using Eviews 9. The direct analysis indicates that PIC negatively affects both FV and CSR, meaning that an increase in PIC leads to a decrease in both FV and CSR. On the other hand, ACS positively influences CSR and FV, indicating that an increase in ACS leads to an increase in both CSR and FV. Additionally, CSR positively affects FV. Indirect relationship testing shows that (1) CSR mediates the negative effect of PIC on FV; (2) CSR mediates the positive effect of ACS on FV. This study enriches governance research by considering PIC and ACS as factors influencing FV. It contributes to the liberature by providing significant relationships between corporate governance mechanisms in all sector listed on the Indonesia Stock Exchange that issue CSR reports.

Keywords*: Proportion Independent Commisioner, Audit Committee Size, Firm Value, Corporate Social Responsibility*.

Abstrak

Penelitian ini bertujuan untuk menguji pengaruh proporsi komisaris independen dan ukuran komite audit terhadap nilai perusahaan melalui CSR. Data diperoleh dari Bursa Efek Indonesia, menggunakan data yang tidak seimbang karena fokus pada perusahaan yang menerbitkan laporan CSR dari tahun 2018 sampai 2021, dengan total 220 observasi tahun perusahaan. Pengolahan data dilakukan dengan Eviews 9. Pengolahan langsung menunjukkan bahwa PIC berpengaruh terhadap nilai perusahaan dan CSR dengan arah negatif, artinya ketika PIC bertambah, maka nilai perusahaan maupun CSR akan turun. Sementara ACS berpengaruh terhadap CSR dan nilai perusahaan dengan arah positif, artinya semakin naik ACS maka CSR serta nilai perusahaan akan bertambah. CSR juga berpengaruh terhadap nilai perusahaan dengan arah positif. Pengujian hubungan tidak langsung menunjukkan bahwa (1) CSR memediasi PIC terhadap nilai perusahaan dengan arah negatif; (2) CSR memediasi ACS terhadap nilai perusahaan dengan arah positif. Studi ini memperkaya penelitian mengenai tata kelola dengan mempertimbangkan PIC dan ACS yang memengaruhi nilai perusahaan. Penelitian ini memberikan kontribusi terhadap literatur dengan menyediakan hubungan signifikan antara mekanisme tata kelola perusahaan di semua sektor yang terdaftar di BEI, yang menerbitkan laporan CSR.

Kata Kunci: *Proporsi Komisaris Independen, Ukuran Komite Audit, Nilai perusahaan, Tanggung Jawab Sosial Perusahaan.*

1. Introduction

Company value is an important factor to study because it represents the amount that would be paid when the company is sold. In the manufacturing industry, company value has gradually decreased (Moktadir et al. 2019). Nowadays, companies are becoming more environmentally conscious, as evidenced by environmental disclosures being a prominent and important aspect in a country (Su, Hu, and Zhang 2023). Experienced directors can influence the disclosure of company environmental information, such as environmental regulations (Pactwa, Woźniak, and Dudek 2021), the legal environment (Liu and Liu 2022), and corporate governance (Samara et al. 2018). Corporate environmental governance is related to company value, from both short-trem adn long-trem prespectives (Fu et al. 2024). Currently, environmental degredation and conservation are becoming increasingly important issues, including climate change (Cifuentes-Faura 2021). Actions to improve human well-being, the planet, prosperity, and peace are part of the 2030 Agenda (Lafuente-Lechuga, Cifuentes-Faura, and Faura-Martínez 2020). This requires the participation of all countries, citizens, and stakeholders to promote a fair and sustainable society (Khurshid, Khan, and Cifuentes-Faura 2023); (Lorente et al. 2023). CSR structures can influence a company's Financial Perfrmance (Seo, Luo, and Kaul 2021). CSR disclosure can build a trusted image and send positive signals to stakeholders (Garanina and Aray 2021). CSR disclosure enables companies to gain legitimacy in national and international markets in Russian Companies (Aray et al. 2021); (Garanina and Kim 2023).

The primary mechanism of business governance includes the board of directors, which has two functions: oversight and advisory (Su, Hu, and Zhang 2023). The distribution of control among corporate participants constitutes the definition of corporate governance (CG) (Bacq and Aguilera 2022). When CG is effective, it can eliminate corporate earnings management, increase commitment to social responsibility, and promote sustainable development (Wang, Weng, and Wang 2021). Agent behavior can be monitored and conflicts between agents and principlas reduced through effective CG mechanisms (Panda and Leepsa 2017). Companies with effective governance need to disclose information related to the environment (Li et al. 2022). Managers tend to gain additional benefits and power, potentially harming shareholders (Karpoff 2021). Board members with international experience can influence the operational aspects of the company, including CSR commitments (Islam et al. 2021), and company performance. Another element of CG is the size of audit committee. The audit committee significantly influences the value of companies in Jordan (Zraiq and Fadzil 2018). This research builds upon (Hermanto, Lusy, and Widyastuti 2021). The difference from previous research lies in the elements of CG studied and the research object.

Companies play a crucial role in environmental protection, thus contributing to the promotion of sustainable products and services (Pizzi et al. 2020); (Zhang, Wang, and Dong 2023). The topic of CSR has become a major issues as it aims to reduce the social and environmental consequences of a company's activities (Miloud 2024). CSR activities for suppliers have a positive impact on the company's value (Choi, Lee, and Choi 2023). CSR activities have the potential to increase a company's value (Lee and Choi 2021). CSR-related activities can enhance social performance and drive innovation (Awan and Sroufe 2020). Investments in CSR typically require support from controlling shareholders (Nguyen, Kecskés, and Mansi 2020). In pandemic situations, CSR activities aimed at fostering sustainable relationships with suppliers can significantly impact a company's value (Golubeva 2021). The relevance of CSR concerning social and environmental issues worldwide indicates a shift in business paradigms (Mariani, Al-Sultan, and De Massis 2023).

CG can facilitate the creation of FV (Whittingham et al. 2023). The system applied to manage a company, with the goal of enhancing long-term shareholder value, is the definition of CG (Sugosha and Artini 2020). Several studies determine the factors influencing changes in FV (Endri and Fathony 2020); (Gerged and Agwili 2020); (Jeroh 2020). Goor Corporate Governance (GCG) can lead to better sustainability disclosure (Miloud 2024). GCG can create value (Sarker and Hossain 2023). The primary concern of every business organization is to have high corporate value as it relates to investor investment decisions (Bassey, Ukpe, and Solomon 2017). The market value of a company can be indicated by stock prices, which can enhance shareholder prosperity (Ibrahim 2020). Conversely, some studies show that board size is negatively related to the value of financial institutions in Europe (Ben-Fatma and Chouaibi 2023). Board independence is a critical component of the board structure. Several studies indicate that board independence affects FV (Agarwal and Singh 2021); and (Al-Farooque, Buachoom, and Hoang 2019). There is study showing that board independence has different effects on FV in a country (Kao, Hodgkinson, and Jaafar 2019).

GCG can reduce the influence of earnings management on FV (Hong et al. 2023). One element of CG is the presence of an audit committee. The independence of the audit committee is a critical characteristics that affects the committee's efficiency in managing financial reporting processes (Baxter and Cotter 2009). The audit committee can also significantly influence FV (Al-Okaily and Naueihed 2020). Conversely, some studies indicate that smaller audit committees can also enhance FV (AL-Matari et al. 2012). Research on 63 companies in Jordan showed no significant relationship between factors of audit committee effectiveness and dividend distribution (Nimer, Warrad, and Khuraisat 2012). There are also research findings indicating that the audit committee has a significant impact on FV in Jordan (Zraiq and Fadzil 2018).

This research examines CG in terms of the Proportion of Independent Commisioners (PIC) dan Audit Committee Size (ACS) as independent variables. The novelty of the model lies in CSR as a mediating variable between the independent variables and FV. This study provides a unique model of the extent to which PIC and ACS, as elements of CG, with CSR as a mediating variable, affect FV. The uniqueness of this research compared the previous ones lies in measuring CG and the research model that places CSR as a mediating variable. Thus, this research adds insights into the literature on independent variables, with CSR as a mediating variable affecting FV.

2. Theoretical Framework and Hypothesis Development

Several studies on the factors underlying changes in FV in emerging markets have begun to emerge ((Endri and Fathony 2020); and (Jeroh 2020)). This research is based on Agency Theory, which states that larger boards have greater control over Top Management, leading to a positive relationship between board size and FV (Rossi et al. 2021). Some studies indicate that larger boards have more control over top management, and directors can monitor tasks and performance wisely, thereby increasing FV (Yanti and Patrisia 2019). Conversely, some research argues that smaller boards can achieve higher FV because of their ability to communicate and coordinate effectively (Salem et al. 2019). Smaller boards help make better decisions due to easier coordination among board members with less communication, making them more efficient and increasing FV (Zabri, Ahmad, and Wah 2016).

Another theory underlying this research is the Resource Dependence Theory (RDT) (Ben-Fatma and Chouaibi 2023). This theory focuses on the role of the board of directors in providing access to resources, including economic, informational, skills, and knowledge resources necessary for business success. Having a larger board can provide opportunities for resource access, which can improve company performance (Kiharo and Kariuki 2018); (Waheed and Malik 2019). Typically, board members have strong external connections in networks, which positively influence long-term company development (Salem et al. 2019). Integrating the governance structure of a company will result in maximizing resources that can enhance FV (Kiharo and Kariuki 2018). According to the RDT, a larger and more experienced board can provide opportunities for relationships and access to resources, thereby improving FV (Kiharo and Kariuki 2018); (Waheed and Malik 2019).

Another theory underlying this research is the Signalling Theory. Companies that implement CSR are considered signals used by organizations to reduce information asymmetry in the market and to demonstrate sustainability commitmentAccording to Signaling Theory, CSR sommunication is an important signal to show a company's commitment (Saxton et al. 2019). Voluntary disclosure of CSR is essential from the perspective of signaling theory when competing in the capital market (Maqbool and Zameer 2018).

2.1 The Importance of CG

CG plays a crucial role in overseeing companies (Ben-Fatma and Chouaibi 2023). Well-managed companies will experience sustainable growth (Singh and Pillai 2022). Come attributes of CG that influence FV are still limited (Noguera 2020). Research shows a negative relationship between board size (an attribute of CG) and FV, proving that smaller boards achieve higher FV because they can coordinate and make more effective decisions (Kao, Hodgkinson, and Jaafar 2019). Smaller boards help make better decisions due to less communication, thus aiding in efficiency and increasing FV (Zabri, Ahmad, and Wah 2016).

This study uses an independent board as a fundamental CG mechanism (Ben-Fatma and Chouaibi 2023). The presence of independent directors plays a crucial role in providing adequate information and leads to higher FV in Nigeria (Ahmad and Sallau 2018). The independence of independent directors can enhance the board's effectiveness in overseeing management, thus avoiding misleading financial reporting (Kiharo and Kariuki 2018). Conversely, some studies show no significant relationship between board independence and FV (Mukhtaruddin, Relasari, and Felmania 2014). That's why the PIC variable is worthy of investigation due to inconsistent research results. This study is unique because it chooses the PIC, measured by the percentage of independent commissioners compared to the total number of board members.

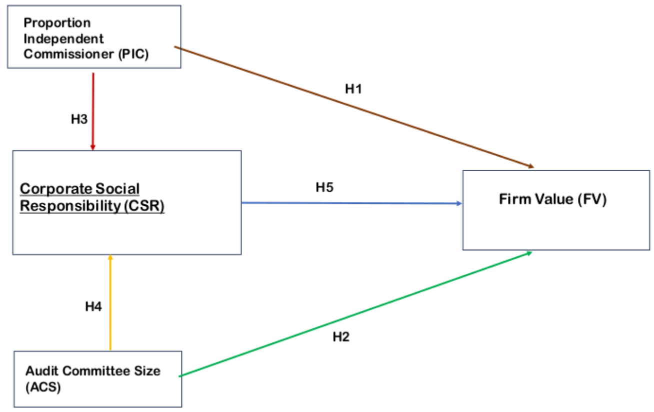
A GCG system certainly leverages resources and adheres to principles of accountability and responsibility (Pramani et al. 2023). Companies in developing countries can reduce their agency costs by implementing good governance practices (Arora and Sharma 2016). The audit committee plays a crucial role in assisting the board in fulfilling its oversight duties (Pramani et al. 2023). Companies with independent audit committees make financial investors trust the quality of financial information provided (Srivastava, Das, and Pattanayak 2019). A larger audit committee results in better management policies, including compliance with CG (Ntim et al. 2012). That's why the larger size of the audit committee in a company, the better compliance with CG. This study aligns with (A. R. Crişan and Fülöp 2014), which shows a positive influence of audit committee size on compliance with CG. This research is unique in using PIC and ACS as attributes of CG.

2.2 The Importance of CSR

CG is a set of processes, rules, and structures aimed at controlling and leading an organization (Evers, Gerschewski, and Khan 2023). Companies that comply with CG regulations are crucial for achieving legitimacy in the eyes of society. Strong internal governance, measured by board independence, makes voluntary and detailed disclosure of carbon emissions more likely (Park, Lee, and Shin 2023). Strong internal governance tends to make companies voluntarily disclose their environmental information (Tsang, Xie, and Xin 2019). Research on CSR-related compensation can enhance CSR performance (Baraibar-Diez, Odriozola, and Fernández-Sánchez 2019). Some research shows a negative relationship between CSR and companies operating in Europe and North America compared to the Asia-Pacific region (Jo and Park 2020). CSR serves as a signal to the market to reduce information asymmetry between managers and stakeholders, thus enhancing FV (Zerbini 2017). Research in Australia shows that board independence positively affects carbon disclosure (Elsayih, Tang, and Lan 2018). Companies implementing CSR are associated with lower stock market volatility and better stock liquidity (Egginton and McBrayer 2019); (Shakil 2021). CSR also brings risk management benefits (Kim, Lee, and Kang 2021).

The composition of the board of directors as part of the CG mechanism can determine the value of the company (Ben-Fatma and Chouaibi 2023). This research uses PIC and ACS as elements of CG. The study also uses CSR as a mediating variable affecting FV. Hypotheses 1 and 2 related to PIC and ACS use Agency Theory (Yanti and Patrisia 2019). Hypotheses 5 and 6 use RDT (Ben-Fatma and Chouaibi 2023). The linkage of CSR in typotheses 3 and 4 is supported by signaling theory because CSR is a signal used to reduce information asymmetry in the market and demonstrate commitment to sustainability (Conte et al. 2023). The research Framework is shown in Figure 1 below.

Figure 1.
Conceptual framework



2.3 Proportion Independent Commisioner (PIC)

An independent board has directors from outside the company the majority, who are not affiliated with the company's top executives and have business unrelated to the company to avoid potential conflicts of interest (Kiharo and Kariuki 2018). Agency theory and RDT indicate a positive effect of independent directors on FV, albeit in different ways (Salem et al. 2019). External parties as a mechanism connecting the company with its environment can support managers in achieving organizational goals (Kiptoo, Kariuki, and Ocharo 2021). The more independent directors on the board, the more positive signal it sends to investors and shareholders, demonstrating effective monitoring of the company, thus enhancing public trust and ultimately increasing FV (Wu 2021); (Sheikh, Wang, and Khan 2013). Independent directors play a crucial role in making company operations more efficient and increasing FV (Van-Khanh et al. 2020). Research on the Nairobi Securities Exchange shows that the presence of independent directors is positively related to the market value of insurance sector companies (Mweta and Mungai 2018). PIC measurement is percentage of proportion of the number of independent commissioner relative to number of Board Members. Based on the literature above, the hypothesis related to PIC is:

H1. *Hypothesis one. PIC has a significant effect on FV*
H3. *Hypothesis three. PIC has a significant effect on CSR*

2.4 Audit Committee size (ACS)

The responsibilities of the audit committee include monitoring the financial reporting process and the effectiveness of internal controls. The Audit Committee is a key element in CG. It plays a significant role in decision-making within company and assists the Board of Directors, management, internal audit, and external audit (Andrei Răzvan Crişan and Fülöp 2014). The independence of the audit committee positively affects company performance (Chan and Li 2008). Audit committee functions as a guardian of financial reporting quality and the audit process (Bruynseels and Cardinaels 2014). Research in Europe on CG shows a positive relationship between audit committee independence and reporting quality (De-Vlaminck and Sarens 2015). The size of the audit committee has an impact on the value of companies in Jordan (Hamdan, Sarea, and Reyad 2013). These findings are consistent with (Al-Okaily and Naueihed 2020). A larger audit committee is better at detecting financial fraud and has a positive impact on FV (Chi, Huang, and Xie 2015); (Elewa and El-Haddad 2019). ACS measurement is number of audit committee members. Based on this research, the hypothesis of this study is:

H2. *Hypothesis two*. ACS has a significant effect on FV.
H4. *Hypothesis four*. ACS has a significant effect on CSR.

2.5 Corporate Social Responsibility (CSR)

CSR has become a significant concern for stakeholders, not only for large corporations but also a necessity for all businesses and companies (Diab and Metwally 2020). Disclosing information about social and environmental issues in financial and non-financial reports Is done to strengthen legitimacy, trust, and transparency (Martínez-Ferrero, Banerjee, and García-Sánchez 2016). CSR activities conducted by companies demonstrate ethical behavior (Gao and Zhang 2015). The disclosed CSR aims to reduce existing risks, build a credible image, and send positive signals to stakeholders (Boubakri et al. 2021).

Several studies show a positive relationship between CSR disclosure and FV (Buchanan, Cao, and Chen 2018); (Chen, Hung, and Wang 2018). CSR as a communication tool with stakeholders can reduce conflicts of interest between managers and various non-investor stakeholders (Mohmed, Flynn, and Grey 2020). Implementing CSR by companies results in a better information environment and reduce information asymmetry between the company and stakeholders (Cui, Jo, and Na 2018). Better CSR performance improves stock liquidity (Shakil 2021). Research conducted in 34 countries shows that board independence has a positive effect on CSR performance (Liao et al. 2021). CSR measurement is number of item disclosed by companies relative to number of item based on GRI. The measurement of a FV using Tobin's Q. Based on the mentioned points, this study hypothesizes that:

H5. *Hypothesis five. CSR has a significant effects on FV.*
H6. *Hypothesis six.CSR has mediating effects on the relationship between PIC on FV.*
H7. *Hypothesis seven.CSR has mediating effects on the relationship between ACS on FV.*

3. Research Method

This study uses a quantitative approach the influence of the Proportion of Independent Commissioners (PIC) and Audit Committee Sizes (ACS) on Firm Value (FV) through CSR. The data were obtained from the Indonesia Stock Exchange with population of all sectors of companies listed on the Indonesian Stock Exchange and publishes CSR reports, resulting in unbalanced data due to the focus on companies that issued CSR reports from 2018 to 2021, totaling 220 company-year observations. Data analysis was conducting using Eviews 9.

4. Results

Table 1.
Results of Direct Influence Testing

Direct Influence	Path Coefficient	P-value	Conclution
Proportion Independent Commissioner (PIC) -> CSR	-0.111	0.006	Significant
Audit Committee Size (ACS) -> CSR	0.048	0.000	Significant
Proportion Independent Commissioner (PIC) -> FV	-0.239	0.045	Significant
Audit Committee Size (ACS) -> FV	0.057	0.002	Significant
CSR -> FV	1.754	0.000	Significant

Source: Data processed by researchers

The testing of PIC shows that PIC has an effect on FV, so hypothesis 1 is accepted with a negative direction, meaning that each increase in PIC by one unit results in a decrease in FV by 0.239 and vice versa. The testing results of PIC on CSR are accepted (Hypothesis 3) with a negative direction, indicating that each decrease in one unit of PIC results in an increase in CSR by 0.111. This research aligns with (Agarwal and Singh 2021); (Al-Farooque, Buachoom, and Hoang 2019); (Mweta and Mungai 2018).

The results of ACS on FV show a value < 0.05, with a positive direction (hypothesis 2 is accepted), meaning that each increase in one unit of ACS results in an increase in FV by 0.057. The testing of ACS on CSR shows that ACS has an effect on CSR with a positive direction (hypothesis 4 is accepted), meaning that each decrease in one unit of ACS will cause a decrease in CSR by 0.048. Meanwhile, the testing of CSR on FV shows that hypothesis 5 is accepted with a positive direction, meaning that each increase in one unit of CSR will result in an increase in FV by 1.754. This is in line with research on audit committees from (Abernathy et al. 2014); (Ghafran and Yasmin 2018); (Ghafran and O'Sullivan 2017); and (Chiru and Gherghina 2019).

Table 2.
Results of Indirect Effect Testing

Indirect Effect	Path Coefficient	*P-value*
Proportion Independent Commissioner (PIC) -> CSR -> FV	-0.194	0.009
Audit Committee Size (ACS) -> CSR -> FV	0.084	0.000

Source: Data processed by researchers

The indirect effect of PIC on FV through CSR shows a significance of 0.009, meaning thpothesis 6 is accepted with a negative direction. Thus, it can be concluded that CSR mediates the effect of PIC on FV. The indirect effect of ACS on FV through CSR shows a significance of 0.000 meaning hypothesis 7 is accepted with a positive direction, indicating that CSR mediates the effect of ACS on FV. This is consistent with the research of (Garanina and Aray 2021); (Garanina and Kim 2023); (Seo, Luo, and Kaul 2021).

5. Conclusion

Based on data processing with Eviews 9, it is shown that PIC hurts FV and CSR, which is consistent with research on financial institutions in Europe (Ben-Fatma and Chouaibi 2023). A smaller board can achieve higher FV because it can coordinate, communicate, and make decisions more effectively (Kao, Hodgkinson, and Jaafar 2019); and (Zabri, Ahmad, and Wah 2016). ACS has a positive impact on both FV and CSR. This is consistent with research in Jordan (Hamdan, Sarea, and Reyad 2013); and (Elewa and El-Haddad 2019). CSR also influences FV and serves as a mediating variable for both PIC and ACS on FV. This is in line with research by (Buchanan, Cao, and Chen 2018); (Shakil 2021). The findings of this study support agency theory, resource dependence theory, and signaling theory. This study fills gaps in the literature related to PIC and ACS, especially in developing countries like Indonesia facing challenges in both environmental and economic aspects. The study also contributes to accounting literature by highlighting the role of PIC and ACS in enhacing FV and sustainability. Practical implications suggest that GCG creates value and is beneficial for all stakeholders.

Acknowledgment

We would like to express our gratitude to Universitas Katolik Darma Cendika for the support that enabled us to complete this research successfully.

Reference

Abernathy, J. L., B. Beyer, A. Masli, and C. Stefaniak. 2014. "The Association Between Characteristics of Audit Committee Accounting Experts, Audit Committee Chairs, and Financial Reporting Timeliness." *Advances in Accounting* 30(2): 283–97. http://dx.doi.org/10.1016/j.adiac.2014.09.001.

Abernathy, J. L., B. Beyer, A. Masli, and C. Stefaniak. 2014. "The Association Between Characteristics of Audit Committee Accounting Experts, Audit Committee Chairs, and Financial Reporting Timeliness." *Advances in Accounting* 30(2): 283–97. http://dx.doi.org/10.1016/j.adiac.2014.09.001.

Agarwal, S., and A. Singh. 2021. "Corporate Governance: Literature Review on Agency Costs and Pieces of Evidence on Different Perspectives." *The IUP Journal of Corporate Governance* 20(2): 49–74.

Ahmad, H S, and M M Sallau. 2018. "Corporate Governance and the Market Value of Listed Deposit Money Banks in Nigeria." *Accounting & Taxation Review* 2(2): 28–42. http://www.atreview.org.

Al-Farooque, O., W. Buachoom, and N. Hoang. 2019. "Interactive Effects of Executive Compensation, Firm Performance and Corporate Governance: Evidence from An Asian Market." *Asia Pacific Journal of Management* 36(4): 1111–64.

AL-Matari, Yahya, A. K. Al-Swidi, F. H. B. Fadzil, and E. M. Al-Matari. 2012. "Board of Directors , Audit Committee Characteristics and the Performance of Public Listed Companies in Saudi Arabia." *International Reveiw of Management and Marketing* 2(4): 241–51.

Al-Okaily, J., and S. Naueihed. 2020. "Audit Committee Effectiveness And Family Firms: Impact on Performance." *Management Decision* 58(6): 1021–34.

Aray, Y., D. Dikova, T. Garanina, and A. Veselova. 2021. "The Hunt for International Legitimacy: Examining The Relationship Between Internationalization, State Ownership, Location and CSR Reporting of Russian Firms." *International Business Review* 30(5): 101858. https://doi.org/10.1016/j.ibusrev.2021.101858.

Arora, A., and C. Sharma. 2016. "Corporate Governance And Firm Performance In Developing Countries: Evidence From India." *Corporate Governance (Bingley)* 16(2): 420–36.

Awan, U., and R. Sroufe. 2020. "Interorganisational Collaboration for Innovation Improvement in Manufacturing Firms's: The Mediating Role of Social Performance." *International Journal of Innovation Management* 24(5): 1–23.

Bacq, S., and R. V. Aguilera. 2022. "Stakeholder Governance for Responsible Innovation: A Theory of Value Creation, Appropriation, and Distribution." *Journal of Management Studies* 59(1): 29–60.

Baraibar-Diez, E., M. D. Odriozola, and J. L. Fernández-Sánchez. 2019. "Sustainable Compensation Policies and Its Effect On Environmental, Social, and Governance Scores." *Corporate Social Responsibility and Environmental Management* 26(6): 1457–72.

Bassey, N. E., O. U. Ukpe, and U. U. Solomon. 2017. "The Effect of Capital Structure Choice on The Performance of Corporate Organizations: A Acase of Quoted Agro-Based Firms in Nigeria." *Bulletin of Business and Economics (BBE)* 6(2): 58–67.

Baxter, P., and J. Cotter. 2009. "Audit Committees and Earnings Expectations Management." *Accounting and Finance* 49(225): 267–90.

Ben-Fatma, H., and J. Chouaibi. 2023. "Corporate Governance and Firm Value: A Study On European Financial Institutions." *International Journal of Productivity and Performance Management* 72(5): 1392–1418.

Boubakri, N., S. El Ghoul, O. Guedhami, and H. Wang. 2021. "Corporate Social Responsibility In Emerging Market Economies: Determinants, Consequences, and Future Research Directions." *Emerging Markets Review* 46(June 2020): 100758. https://doi.org/10.1016/j.ememar.2020.100758.

Bruynseels, L., and E. Cardinaels. 2014. "The Audit Committee : Management Watchdog or Personal Friend of the CEO ?" *The accounting review* 89(1): 113–45.

Buchanan, B., C. X. Cao, and C. Chen. 2018. "Corporate Social Responsibility, Firm Value, and Influential Institutional Ownership." *Journal of Corporate Finance* 52(June): 73–95. https://doi.org/10.1016/j.jcorpfin.2018.07.004.

Chan, K. C., and J. Li. 2008. "Audit Committee and Firm Value: Evidence on Outside Top Executives As Expert-Independent Directors." *Corporate Governance: An International Review* 16(1): 16–31.

Chen, Yi-chun, Mingyi Hung, and Yongxiang Wang. 2018. "The Effect of Mandatory CSR Disclosure on Firm Profitability and Social Externalities: Evidence from China." *Journal of Accounting and Economics* 65(1): 169–90. https://doi.org/10.1016/j.jacceco.2017.11.009.

Chi, W., H. Huang, and H. Xie. 2015. "A Quantile Regression Analysis On Corporate Governance And The Cost of Bank Loans: A Research Note." *Review of Accounting and Finance* 14(1): 2–19.

Chiru, M., and S. Gherghina. 2019. "Committee Chair Selection Under High Informational and Organizational Constraints." *Party Politics* 25(4): 547–58.

Choi, S. U., W. J. Lee, and N. H. Choi. 2023. "Corporate Social Responsibility and Firm Value During the COVID-19 Pandemic." *Management Decision* 61(10): 3169–94.

Cifuentes-Faura, J. 2021. "COVID-19 and The Opportunity to Create A Sustainable World Through Economic and Political Decisions." *World Journal of Science, Technology and Sustainable Development* 18(4): 417–21.

Conte, F., D. Sardanelli, A. Vollero, and A. Siano. 2023. "CSR Signaling in Controversial And Noncontroversial Industries: CSR Policies, Governance Structures, And Transparency Tools." *European Management Journal* 41(2): 274–81. https://doi.org/10.1016/j.emj.2021.12.003.

Crişan, A. R., and M. T. Fülöp. 2014. "The Role of the Audit Committee in Corporate Governance – Case Study for a Sample of Companies Listed on BSE and the London Stock Exchange - FTSE 100." *Procedia Economics and Finance* 15(14): 1033–41.

Crişan, Andrei Răzvan, and Melinda Timea Fülöp. 2014. "The Role of the Audit Committee in Corporate Governance – Case Study for a Sample of Companies Listed on BSE and the London Stock Exchange - FTSE 100." *Procedia Economics and Finance* 15(14): 1033–41.

Cui, J., H. Jo, and H. Na. 2018. "Does Corporate Social Responsibility Affect Information Asymmetry?" *Journal of Business Ethics* 148(3): 549–72.

De-Vlaminck, N., and G. Sarens. 2015. "The Relationship Between Audit Committee Characteristics And Financial Statement Quality: Evidence from Belgium." *Journal of Management and Governance* 19(1): 145–66.

Diab, A., and A. B. M. Metwally. 2020. "Institutional Complexity And CSR Practices: Evidence From a Developing Country." *Journal of Accounting in Emerging Economies* 10(4): 655–80.

Egginton, J. F., and G. A. McBrayer. 2019. "Does It Pay to Be Forthcoming? Evidence From CSR Disclosure and Equity Market Liquidity." *Corporate Social Responsibility and Environmental Management* 26(2): 396–407.

Elewa, M. M., and R. El-Haddad. 2019. "The Effect of Audit Quality on Firm Performance: A Panel Data Approach." *International Journal of Accounting and Financial Reporting* 9(1): 229.

Elsayih, J., Q. Tang, and Y. C. Lan. 2018. "Corporate Governance and Carbon Transparency: Australian Experience." *Accounting Research Journal* 31(3): 405–22.

Endri, E., and M. Fathony. 2020. "Determinants of Firm's Value: Evidence From Financial Industry." *Management Science Letters* 10(1): 111–20.

Evers, N., S. Gerschewski, and Z. Khan. 2023. "Corporate Governance in International New Ventures And Born Global Firms." *International Small Business Journal: Researching Entrepreneurship* 41(6): 569–89.

Fu, H., Q. Jiang, J. Cifuentes-Faura, and Q. Chen. 2024. "Corporate Environmental Governance and Firm Value: Beyond Greenwashing for Sustainable Development." *Environment, Development and Sustainability* (0123456789). https://doi.org/10.1007/s10668-023-04375-7.

Gao, L., and J. H. Zhang. 2015. "Firms' Earnings Smoothing, Corporate Social Responsibility, and Valuation." *Journal of Corporate Finance* 32: 108–27. http://dx.doi.org/10.1016/j.jcorpfin.2015.03.004.

Garanina, T., and Y. Aray. 2021. "Enhancing CSR Disclosure Through Foreign Ownership, Foreign Board Members, and Cross-Listing: Does It Work in Russian Context?" *Emerging Markets Review* 46(February 2020): 100754. https://doi.org/10.1016/j.ememar.2020.100754.

Garanina, T., and O. Kim. 2023. "The Relationship Between CSR Disclosure and Accounting Conservatism: The Role of State Ownership." *Journal of International Accounting, Auditing and Taxation* 50: 100522. https://doi.org/10.1016/j.intaccaudtax.2023.100522.

Gerged, A. M., and A. Agwili. 2020. "How Corporate Governance Affect Firm Value and Profitability? Evidence from Saudi Financial and Non-Financial Listed Firms." *International Journal of Business Governance and Ethics* 14(2): 144–65.

Ghafran, C., and N. O'Sullivan. 2017. "The Impact of Audit Committee Expertise on Audit Quality: Evidence from UK Audit Fees." *British Accounting Review* 49(6): 578–93. https://doi.org/10.1016/j.bar.2017.09.008.

Ghafran, C., and S. Yasmin. 2018. "Audit Committee Chair and Financial Reporting Timeliness: A Focus on Financial, Experiential and Monitoring Expertise." *International Journal of Auditing* 22(1): 13–24.

Golubeva, O. 2021. "Firms' Performance During The COVID-19 Outbreak: International Evidence From 13 Countries." *Corporate Governance (Bingley)* 21(6): 1011–27.

Hamdan, A. M., A. M. Sarea, and S. M. R. Reyad. 2013. "The Impact of Audit Committee Characteristics on The Performance: Evidence From Jordan." *International Management Review* 9(1): 32–42.

Hermanto, Y. B., L. Lusy, and M. Widyastuti. 2021. "How Financial Performance and State-Owned Enterprise (Soe) Values Are Affected by Good Corporate Governance and Intellectual Capital Perspectives." *Economies* 9(4).

Hong, N. T. H., N. T. Anh, N. T. V. Hoang, and D. N. Minh. 2023. "Corporate Governance, External Financing, and Earnings Management: New Evidence From An Emerging Market." *Future Business Journal* 9(1). https://doi.org/10.1186/s43093-023-00206-3.

Ibrahim, U. A. 2020. "Effect of Financial Leverage on Firm Value: Evidence From Selected Firms Quoted on the Nigerian Stock Exchange." *European Journal of Business and Management* 12(3): 124–35.

Islam, M. M. N., D. Wu, M. Usman, and M. I. Nazir. 2021. "The Impact of CEO's Personal Characteristics on Corporate Social Responsibility: Evidence From Bangladesh." *Independent Journal of Management & Production* 12(1): 032–053.

Jeroh, E. 2020. "Corporate Financial Attributes and The Value of Listed Financial Service Firms: The Nigerian Evidence." *Academy of Accounting and Financial Studies Journal* 24(2): 1–13.

Jo, H., and K. Park. 2020. "Controversial Industries, Regional Differences, and Risk: Role of CSR*." *Asia-Pacific Journal of Financial Studies* 49(6): 911–47.

Kao, M. F., L. Hodgkinson, and A. Jaafar. 2019. "Ownership Structure, Board of Directors and Firm Performance: Evidence from Taiwan." *Corporate Governance (Bingley)* 19(1): 189–216.

Karpoff, J. M. 2021. "On A Stakeholder Model of Corporate Governance." *Financial Management* 50(2): 321–43.

Khurshid, A., K. Khan, and J. Cifuentes-Faura. 2023. "2030 Agenda of Sustainable Transport: Can Current Progress Lead Towards Carbon Neutrality?" *Transportation Research Part D: Transport and Environment* 122(August): 103869. https://doi.org/10.1016/j.trd.2023.103869.

Kiharo, M. N., and P. W. Kariuki. 2018. "Corporate Governance Practices and Firm Value of Listed Commercial Banks in Kenya." *the International Journal of Business & Management* 6(3): 184–92. www.theijbm.com.

Kim, S., G. Lee, and H. G. Kang. 2021. "Risk Management and Corporate Social Responsibility." *Strategic Management Journal* 42(1): 202–30.

Kiptoo, I. K., S. N. Kariuki, and K. N. Ocharo. 2021. "Corporate Governance and Financial Performance of Insurance Firms in Kenya." *Cogent Business and Management* 8(1). https://doi.org/10.1080/23311975.2021.1938350.

Lafuente-Lechuga, M., J. Cifuentes-Faura, and Ú. Faura-Martínez. 2020. "Mathematics Applied to the Economy and Sustainable Development Goals: A Necessary Relationship of Dependence." *Education Sciences* 10(11): 1–12.

Lee, W. J., and S. U. Choi. 2021. "Internal and External Corporate Social Responsibility Activities and Firm Value: Evidence from The Shared Growth in The Supply Chain." *Borsa Istanbul Review* 21(S1): S57–69. https://doi.org/10.1016/j.bir.2021.02.007.

Li, Z., T. Zhang, X. Zhao, and Y. Zhu. 2022. "Monitoring or Colluding? Institutional Investors' Heterogeneity and Environmental Information Disclosure Behavior." *Frontiers in Psychology* 13(June): 1–16.

Liao, C. H., Z. San, A. Tsang, and L. Yu. 2021. "Board Reforms Around the World: The Effect on Corporate Social Responsibility." *Corporate Governance: An International Review* 29(5): 496–523.

Liu, X., and F. Liu. 2022. "Environmental Regulation and Corporate Financial Asset Allocation: A Natural Experiment from The New Environmental Protection Law in China." *Finance Research Letters* 47(PA): 102974. https://doi.org/10.1016/j.frl.2022.102974.

Lorente, D. B., K. S. Mohammed, J. Cifuentes-Faura, and U. Shahzad. 2023. "Dynamic Connectedness Among Climate Change Index, Green Financial Assets And Renewable Energy Markets: Novel Evidence from Sustainable Development Perspective." *Renewable Energy* 204(October 2022): 94–105. https://doi.org/10.1016/j.renene.2022.12.085.

Maqbool, S., and M. N. Zameer. 2018. "Corporate Social Responsibility and Financial Performance: An Empirical Analysis of Indian Banks." *Future Business Journal* 4(1): 84–93. http://dx.doi.org/10.1016/j.fbj.2017.12.002.

Mariani, M. M., K. Al-Sultan, and A. De Massis. 2023. "Corporate Social Responsibility in Family Firms: A Systematic Literature Review." *Journal of Small Business Management* 61(3): 1192–1246. https://doi.org/10.1080/00472778.2021.1955122.

Martínez-Ferrero, Jennifer, Shantanu Banerjee, and Isabel María García-Sánchez. 2016. "Corporate Social Responsibility as a Strategic Shield Against Costs of Earnings Management Practices." *Journal of Business Ethics* 133(2): 305–24.

Miloud, T. 2024. "Corporate Governance and CSR Disclosure: Evidence from French Listed Companies." *Global Finance Journal* 59(February 2022): 100943. https://doi.org/10.1016/j.gfj.2024.100943.

Mohmed, A., A. Flynn, and C. Grey. 2020. "The Link Between CSR and Earnings Quality: Evidence from Egypt." *Journal of Accounting in Emerging Economies* 10(1): 1–20.

Moktadir, M. A., S. M. Ali, S. K. Paul, and N. Shukla. 2019. "Barriers to Big Data Analytics in Manufacturing Supply Chains: A Case Study from Bangladesh." *Computers and Industrial Engineering* 128(April 2018): 1063–75. https://doi.org/10.1016/j.cie.2018.04.013.

Mukhtaruddin, Relasari, and M. Felmania. 2014. "Good Corporate Governance Mechanism , Corporate Social Responsibility Disclosure on Firm Value : Empirical Study on Listed Company in Indonesia Stock Exchange." *International Journal of Finance & Accounting Studies* 2(1): 1–10.

Mweta, T. M., and E. N. Mungai. 2018. "Corporate Governance and Firms Market Value: A Case Study of Insurance Sector Companies Listed at Nairobi Securities Exchange." *Journal on Banking Financial Services and Insurance Research* 8(6): 18–27.

Nguyen, P. A., A. Kecskés, and S. Mansi. 2020. "Does Corporate Social Responsibility Create Shareholder Value? The Importance of Long-Term Investors." *Journal of Banking and Finance* 112.

Nimer, K., L. Warrad, and O. Khuraisat. 2012. "The Effect of Audit Committee's Effectiveness on Dividend Payout Policy: Evidence from the Jordanian Firms." *International Journal of Business and Management* 7(7): 172–79.

Noguera, M. 2020. "Women Directors' Effect on Firm Value and Performance: The Case of REITs." *Corporate*

Governance (Bingley) 20(7): 1265–79.

Ntim, C. G., K. K. Opong, J. Danbolt, and D. A. Thomas. 2012. "Voluntary Corporate Governance Disclosures by Post-Apartheid South African Corporations." *Journal of Applied Accounting Research* 13(2): 122–44.

Pactwa, K., J. Woźniak, and M. Dudek. 2021. "Sustainable Social and Environmental Evaluation of Post-Industrial Facilities in a Closed Loop Perspective in Coal-Mining Areas in Poland." *Sustainability (Switzerland)* 13(1): 1–16.

Panda, B., and N. M. Leepsa. 2017. "Agency Theory: Review of Theory and Evidence on Problems and Perspectives." *Indian Journal of Corporate Governance* 10(1): 74–95.

Park, J., J. Lee, and J. Shin. 2023. "Corporate Governance, Compensation Mechanisms, And Voluntary Disclosure of Carbon Emissions: Evidence from Korea." *Journal of Contemporary Accounting and Economics* 19(3): 100361. https://doi.org/10.1016/j.jcae.2023.100361.

Pizzi, S., A. Caputo, A. Corvino, and A. Venturelli. 2020. "Management Research and The UN Sustainable Development Goals (SDGs): A Bibliometric Investigation and Systematic Review." *Journal of Cleaner Production* 276: 124033. https://doi.org/10.1016/j.jclepro.2020.124033.

Pramani, R. G., S. Goel, R. S. Ray, and A. S. Babu. 2023. "Corporate Governance Practices in The Mining Industry of India: An Application of CG Index." *Mineral Economics* 36(3): 481–98. https://doi.org/10.1007/s13563-023-00363-5.

Rossi, M. et al. 2021. "Does a Board Characteristic Moderate the Relationship between CSR Practices and Financial Performance? Evidence from European ESG Firms." *Journal of Risk and Financial Management* 14(8).

Salem, W. F., S. A. Metawe, A. A. Youssef, and M. B. Mohamed. 2019. "Boards of Directors' Characteristics and Firm Value: A Comparative Study between Egypt and USA." *OALib* 06(04): 1–33.

Samara, G., D. Jamali, V. Sierra, and M. J. Parada. 2018. "Who Are The Best Performers? The Environmental Social Performance of Family Firms." *Journal of Family Business Strategy* 9(1): 33–43. https://doi.org/10.1016/j.jfbs.2017.11.004.

Sarker, N., and S. M. K. Hossain. 2023. "Corporate Governance and Firm Value: Bangladeshi Manufacturing Industry Perspective." *PSU Research Review*.

Saxton, G. D. et al. 2019. "Do CSR Messages Resonate? Examining Public Reactions to Firms' CSR Efforts on Social Media." *Journal of Business Ethics* 155(2): 359–77.

Seo, H., J. Luo, and A. Kaul. 2021. "Giving A Little to Many or A Lot to a Few? The Returns to Variety in Corporate Philanthropy." *Strategic Management Journal* 42(9): 1734–64.

Shakil, M. H. 2021. "Environmental, Social and Governance Performance and Financial Risk: Moderating Role of ESG Controversies and Board Gender Diversity." *Resources Policy* 72(May 2020): 102144. https://doi.org/10.1016/j.resourpol.2021.102144.

Sheikh, N. A., Z. Wang, and S. Khan. 2013. "The Impact of Internal Attributes of Corporate Governance On Firm Performance: Evidence From Pakistan." *International Journal of Commerce and Management* 23(1): 38–55.

Singh, K., and D. Pillai. 2022. "Corporate Governance in Small and Medium Enterprises: A Review." *Corporate Governance (Bingley)* 22(1): 23–41.

Srivastava, V., N. Das, and J. K. Pattanayak. 2019. "Impact of Corporate Governance Attributes on Cost of Equity: Evidence From An Emerging Economy." *Managerial Auditing Journal* 34(2): 142–61.

Su, W., X. Hu, and L. Zhang. 2023. "Association Between Directors With Foreign Experience and Firms' Environmental Disclosure." *SAGE Open* 13(4): 1–22.

Sugosha, M. J., and L. G. S. Artini. 2020. "The Role of Profitability in Mediating Company Ownership Structure and Size of Firm Value in The Pharmaceutical Industry on The Indonesia Stock Exchange." *International Research Journal of Management, IT and Social sciences* 7(1): 104–15.

Tsang, A., F. Xie, and X. Xin. 2019. "Foreign Institutional Investors and Corporate Voluntary Disclosure Around The World." *Accounting Review* 94(5): 319–48.

Van-Khanh, V. T., D. N. Hung, V. T. T. Van, and H. T. Huyen. 2020. "A Study On The Effect of Corporate Governance and Capital Structure On Firm Value in Vietnam." *Accounting* 6(3): 221–30.

Waheed, A., and Q. A. Malik. 2019. "Board Characteristics, Ownership Concentration and Firms' Performance: A Contingent Theoretical Based Approach." *South Asian Journal of Business Studies* 8(2): 146–65.

Wang, C. Y., Y. C. Weng, and L. Wang. 2021. "Effect of Air Quality on Corporate Environmental Disclosure: The Moderating Role of Institutional Investors." *Borsa Istanbul Review* 21: S1–12. https://doi.org/10.1016/j.bir.2021.02.005.

Whittingham, K. L., A. G. Earle, D. I. L. Hiz, and A. Argiolas. 2023. "The Impact of The United Nations Sustainable Development Goals on Corporate Sustainability Reporting." *BRQ Business Research Quarterly* 26(1): 45–61.

Wu, C. H. 2021. "On the Moderating Effects of Country Governance on the Relationships between Corporate Governance and Firm Performance." *Journal of Risk and Financial Management* 14(3).

Yanti, E., and D. Patrisia. 2019. "The Impact of Corporate Governance Mechanisms on Firm Value." *Opcion* 97(Piceeba): 242–49.

Zabri, S. M., K. Ahmad, and K. K. Wah. 2016. "Corporate Governance Practices and Firm Performance: Evidence from Top 100 Public Listed Companies in Malaysia." *Procedia Economics and Finance* 35(October 2015): 287–96. http://dx.doi.org/10.1016/S2212-5671(16)00036-8.

Zerbini, F. 2017. "CSR Initiatives as Market Signals: A Review and Research Agenda." *Journal of Business Ethics* 146(1): 1–23.

Zhang, D., C. Wang, and Y. Dong. 2023. "How Does Firm ESG Performance Impact Financial Constraints? An Experimental Exploration of the COVID-19 Pandemic." *European Journal of Development Research* 35(1): 219–39. https://doi.org/10.1057/s41287-021-00499-6.

Zraiq, M., and F. Fadzil. 2018. "The Impact of Audit Committee Characteristics on Firm Performance: Evidence From Jordan." *Scholar Journal of Applied Sciences and Research* 1(5): 39–42.