The Effect of Financial Performance on The Tobin's Q Value of Company Investment

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Abstract
This study aims to provide To explain the impact of financial performance, corporate social responsibility and good corporate governance on firm value. Companies that sell their shares to the public by going public must have a good picture. A good picture is necessary to gain the trust of investors. Companies in an effort to gain the trust of investors will provide reliable information. This information describes the character of the company, especially regarding financial performance. This study used a descriptive associative quantitative research method. To determine the effect of firm value used regression analysis techniques. From the research results there is a significant influence between financial performance on firm value, this occurs due to the Efficient Market Semi Strong Hypothesis. Based on the results of the discussion that has been put forward, the conclusion in this study is simultaneous that there is a significant influence between financial performance, corporate social responsibility, good corporate governance on firm value ratio expressed by the Tobin's Q, when investing in companies that are included in the LQ-45 stock indexer in Indonesia, list namely the best stock rating index in Indonesia. The limitation in this study is that the measurement for company value is to use Tobin's Q, which is calculated based on the market value/price of a company divided by the company's asset value. Measurement of company value is carried out for a years. The results of this research for the industrial world can be used as a source of information about efforts in implementing financial performance on firm value with CSR disclosure and good corporate governance (GCG) as intervening variables. And it is hoped that it can provide useful information for readers, especially investors, potential investors, and capital market authority bodies regarding the relevance of CSR information disclosure and good corporate governance in company annual reports with firm value and financial performance.

Keywords: Financial, performance, CSR, GCG, Firm value, Tobin's Q.

JEL Codes G14, G19, G30

1. Introduction
The company is a production activity unit that manages economic resources to provide goods and services to the community with the aim of obtaining profits and being able to satisfy community needs. The company is tasked with processing economic resources or often called factors of production. Financing is a company function that is important for the success of a company's business. It is said to be important because it is this function that carries out efforts to obtain funds. Both large and small companies need funds to carry out their business activities. The funds needed can be obtained either through financing from within the company (internal financing) or financing from outside the company (external financing). External financing sources are obtained by companies by making loans to other parties or selling their shares to the public (go public) in the capital market. Meanwhile, the source of internal capital financing is the use of retained earnings, namely profits that are not distributed as dividends. Investors will use all available relevant information when trying to improve their predictions of future results, so any additional information is needed. The more information a company discloses about it, the more confidence investors have because there is less inside information to worry about. The company provides information in the form of its financial condition which is reflected in its financial performance, future prospects and other disclosures. The definition of financial performance is a reflection of strategic decisions, operations and financing (Weston & Copeland, 1995). The
aim is to assist investors in interpreting the company's financial reports. Investors have an interest in evaluating the company's ability through its financial performance, that financial performance has a positive effect on firm value. In addition to assessing a company's financial performance, investors will also try to find additional information to support their investment decisions. This study aims to examine and analyze the effect of financial performance on firm value in the company's annual report on market response. Based on the background previously described, the research objective to be achieved is to determine the effect of financial performance on firm value. This research has direction to explain the impact of financial performance, Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) on firm value.

2. Literature Review
2.1. Profitability ratio
Investors must be considered by the company by maximizing the value of the company, company value is a measure of the success of the implementation of financial functions. Appraisal of a company's performance can be seen from the company's ability to generate profits. Apart from being an indicator of the company's ability to meet the obligations of its funders, company profits are also an element in the creation of company value that shows the company's prospects in the future. The level of company profitability can be measured from several aspects, namely based on the profitability ratio. Profitability ratios consist of ratios, namely: gross profit margin (GPM), basic earning power (BEP), return on assets (ROA) or often called return on investment (ROI), and return on equity (ROE) (Boynton, 2002). To measure company performance from an investor's point of view, the return on equity (ROE) approach is used (Brigham & Houston 2006). The reason for using this ratio is that shareholders invest to get a return on their money and this ratio shows how well they have done so from an accounting perspective. The results of this study also support of which states that return on investment is a performance measure that is widely recognized (Bayangkara, 2006). This measure makes it possible to assess the company's return on capital investment risk (Gillespie, 2006). Strengthens the reasons for using the return on equity ratio by stating that the return on investment is the most popular measure, companies with high levels of returns should be more able to make money in the capital market because they offer better returns to potential investors, (Bodie, 2006).

Return on equity is a ratio that measures the average yield of total shareholder ownership (Jumingan, 2006). This ratio is a way to measure the level of profitability of the company. Net income is the goal of the company and this ratio shows how the main goal has been achieved. A low return on equity ratio indicates that the company is not very successful due to inefficient and ineffective production, distribution, finance and the general condition of the company that is not profitable. The company's ability comes from the economic productivity of loan funds and own capital invested in the form of assets and the overall efficiency of the company's operations. A low ratio reflects an excess of investment in assets related to sales volume, low sales volume compared to the costs that have been incurred to achieve these sales. The low ratio also reflects management inefficiencies in production, purchasing, marketing strategies and operations in general. Ultimately, the most important accounting ratio or bottom line is the ratio of net income to stock equity (ROE) which is measured as the rate of return on common stock equity and return on investment from assets (Brigham & Houston, 2006). The higher the return on equity, the better the return on investment. Many economists see a link between fluctuations in investment and fluctuations in the stock market. The term stock refers to the share in the ownership of a company, and the stock market is the center where these shares are traded. Share prices tend to be high when a company has many opportunities for profitable investments, because these profit opportunities mean higher future earnings for shareholders. So, stock prices reflect incentives for investment. A company has value for its owners because the company's net assets are accumulated wealth that can be used to meet needs. So, company ownership is a claim on welfare. The net surplus theory views accounting as a system of recording the creation and distribution of wealth. Therefore, there is a relationship between firm value and accounting information, (Boynton, 2002). Earnings are compiled by management who are more aware of the conditions within the company (Husam, 2006). These conditions can cause problems because management as the party that provides information about the company's performance is evaluated and rewarded based on reports it makes itself (Fullerton, 2008).

2.2. Agency Theory
The role of the manager is very broad, his involvement covers the whole of the company's activities. With a shift in increasingly intense competition, the effects of inflation, technological change, concern for the environment, energy, social issues, government regulations and demands for a free trade system, managers' decisions must remain accurate in accordance with the goals or objectives of the company, (Gumanti, 2002). In making management decisions, information about the state of the company is needed. The information in question is the company's financial performance (Scott, 2003). While the company's financial performance reflects the company's ability to manage the company's operations (Sunarto, 2001). The financial performance of a company is very beneficial for various parties such as investors, creditors, analysts, financial consultants, government brokers and the management itself. Financial performance measures the company's performance in obtaining profits and market value (Mulyadi, 1986). The company's financial performance is the result of many individual decisions that are made continuously by management. Therefore, to assess a company's financial performance, it is necessary to involve an analysis of the cumulative financial and economic impact of decisions and consider them using comparative measures, (Husnan, 1987). however Corporate Social Responsibility (CSR) in the perspective of legitimacy theory and Corporate Governance both complement each other to form an objective function in dealing with constraints faced by the company (Castrén, 2006). This social disclosure is part of the implementation of legitimacy and the embodiment of corporate accountability which is proxied in corporate governance (Gerard, 2002). CSR and GCG are embodiments of agency theory in understanding the meaning of increasing company performance and corporate value that can be carried out by managers in real terms, here information asymmetry can arise (Young, 2001). CSR is one of GCG practices, entities that carry out good corporate governance should carry out CSR activities because both aim at optimizing company value (Ujiyanto 2008). Meanwhile, corporate governance recommends the practice of corporate openness to interested parties (Van Overfelt, 2008). Good performance will also provide good expectations for investment decision makers. To measure financial performance according to (Belkaoui, 2000) can be done by implementing the main steps that are driven by three critical issues faced by every general manager. Corporate governance is expected to function to suppress or reduce agency costs (Arens, 2006). The three issues are profitability, business size, and business growth over time. Consequently, financial performance measures that assess profitability, size, and growth rates are essential to monitor overall financial performance and progress (Miller, 2008).

2.3. Tobin's Q numerator

The board of commissioners is also responsible for the quality of the reports presented. The audit committee is responsible for overseeing financial reports, supervising external audits, and observing internal control systems as well as agency conflicts which result in the opportunistic nature of management which will result in low earnings quality. The low quality of earnings will be able to make decision-making mistakes for users such as investors and creditors, so that the value of the company will decrease. Firm value is based on a ratio expressed by the Tobin's Q ratio, where the Tobin's Q numerator is the value of economic capital determined by the stock market. The advantage of Tobin's Q as a measure of incentives for investment is that it reflects the expected future profitability of capital as well as present profitability (Mankiw, 2003). Tobin's Q investment theory emphasizes that investment decisions depend not only on current economic policies but also on policies that are expected to apply in the future. However, the purpose of accounting is to provide information, especially for investors, which is expected to be used as a basis for making decisions. To be useful in the decision-making process, the information must be relevant and reliable. Relevant information is information that has the potential to influence decisions taken, while reliable information is information that is not misleading (reliable). Unfortunately, relevant information is often not reliable, and conversely reliable information is often irrelevant. Until now accounting is more concerned with reliability than relevance, so that the information that is finally presented is often less relevant. The net surplus theory shows that the relevance of accounting information is still high because it can still be used in calculating company value. To measure company value the Tobin's Q formula can be used as follows, to capture the future performance, we use the book-to-market ratio, which is a proxy for future investment opportunities (Goukasian & Whitney, 2008). We believe our results capture some market/industry trends, and to avoid the impact of those trends on our analysis, we conduct our analysis using the industry-adjusted value of the firms as well as Tobin's Q is the combined market value of all the companies on the stock market should be about equal to their replacement costs. The Q ratio is calculated as the market value of a company divided by the
replacement value of the firm's assets (Mankiw, 2003). Objectives of the study among others, based on the background that has been described previously, the formulation of the problems that arise are as follows:

1) To explain the effect of Return on equity on the value of the firm.
2) To explain the related of Return On Assets on Firm Value.
3) To explain the influences of Corporate Social Responsibility on Firm Value.
4) To explain the relationship of Good Corporate Governance on Firm Value.

Hypotheses
Ha1 : There is a significant positive effect of Return on equity on the value of the Firm Value.
Ha2 : Return On Assets has an related to on Firm Value.
Ha3 : corporate social responsibility influences Corporate Value.
Ha4 : There is a relationship between Good Corporate Governance and Company Value.

3. Methodology
This research is a survey research because it is carried out on a population, but the data studied is sample data. If according to the level of explanation it is causal associative research, because it is used to determine the relationship between two or more variables that contain causation. And when viewed from the type of data is a quantitative data analysis research method. The population in this study are companies listed in LQ – 45, stock indexers in Indonesia. The sampling technique used is a saturated sample, so that the entire population is a sample. Thus, there are 45 companies that are used as the population as well as the sample. The data used in this study to be analyzed is quantitative data in the form of company financial reports during a global pandemic. When viewed from the use of the sample which means the survey research category, the statistical technique that must be used is inferential statistical techniques (Sugiyono, 2003). Because inferential statistics are used to analyze sample data and the results are applied to the population. Inferential statistics itself is divided into two, namely parametric and non-parametric statistics (Supardi, 2005). For this study, parametric statistics were used because they were used to test population size parameters through sample data and the type of data was ratio data. This research has a purpose to explain the impact of financial performance, Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) on firm value. The classic assumption test is carried out by using, among others, the Kolmogorov-Smirnov test to test whether the data is normally distributed. Heteroscedasticity test to find out that there are no variables that have a significant effect on the residual value so that the regression model is free from heteroscedasticity problems. The Durbin-Watson value for knowing the data lies in the acceptance area so that autocorrelation does not occur. Multicollinearity test to find out that there is no multicollinearity. To test the first hypothesis, the data analysis technique is used, namely regression, (Riduwan, 2009).

4. Results and discussion
The t test to identify the partial tests used to determine whether the independent variable has a significant influence on the dependent variable partially. If the result is significant then Ha is accepted, whereas if the result is not significant then Ha is rejected. The following is the result of testing the t test between financial performance and company value.

Table 1. Regression Relationship

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Correlations</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>t</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-</td>
<td>62.144</td>
<td>.539</td>
</tr>
<tr>
<td>ROE</td>
<td>33.49</td>
<td>4</td>
<td>750.0</td>
</tr>
</tbody>
</table>
Based on table 1, the partial correlation calculation results obtained a significance number of 0.009<0.05 less than the probability value of 0.05, so the first hypothesis (H\textsubscript{a1}) results is accepted. Financial performance in this study is measured using ROE, company value is calculated by Tobin's Q. ROE is accepted, the magnitude of the effect of financial performance on firm value is considered significant. In first year, the percentage of companies with ROE below had a ROE of more than one. The second hypothesis (H\textsubscript{a2}) is rejected, there is no influence (linear relationship) between financial performance (ROA) and firm value, significance number of 0.410>0.05 more than the probability value of 0.05. Based on the results of data processing through partial regression analysis, financial performance has an influence on firm value on ROE. Thus, information from companies that is still taken into consideration in executing investment options is information about the financial performance of companies included in the LQ-45 list. This is in line with the research conducted by Christiawan & Tarigan (2007) in their research stating that financial performance has a positive effect on firm value. This study took a sample of companies listed on the Jakarta Stock Exchange. Meanwhile, the CSR and GCG hypotheses (H\textsubscript{a3}, H\textsubscript{a4}) are also rejected, significance number of 0.823>0.05 and 0.534>0.05 more than the probability value of 0.05 there is no influence between corporate social responsibility (CSR) and firm value using the Tobins Q measure. Likewise, good corporate governance (GCG) has no significant effect on firm value. The regression equation that is formed is \(Y = -33.494 +750.074X1-0.046X2+0.300X3+0.000X4\). From the equation formed, the linear trend will form a line equation that has a positive slope.

### Table 2. Anova F test results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>411782.935</td>
<td>4</td>
<td>102945.734</td>
<td>3.280</td>
<td>.020*</td>
</tr>
<tr>
<td>Residual</td>
<td>1255397.510</td>
<td>40</td>
<td>31384.938</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>1667180.444</td>
<td>44</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), GCG, ROA, CSR, ROE
b. Dependent Variable: TOBINSQ

Based on the table above, influence simultaneously a significance number of 0.02 is less than a significance 0.02<0.05, so the which reads: there is simultaneously a significant influence between financial performance, corporate social responsibility and good corporate governance on firm value is accepted. So, it can be concluded that firm value is influenced jointly (simultaneously) by financial performance, corporate social responsibility, good corporate governance. Overall, when observed, the number of companies that experienced an increase in the value of financial performance originating from ROE from the first to the third-year experienced fluctuations. Thus, causing the value of financial performance to have an influence on firm value. This means that investors still consider the value of ROE in making investment decisions. As is generally known, that the financial performance reflected in the financial statements is one of the sources of information issued by the company.

### Table 3. Model Summary(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
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From the table above the coefficient of determination (R Square) shows the number 0.208. This means that the value of the company that is influenced by financial performance, Corporate Social Responsibility (CSR), Good Corporate Governance (GCG) together is 17.20%, while the remaining 82.80% is influenced by other factors. Accounting information is very useful for assessing the performance accountability of managers. To be useful in the decision-making process, the information must be relevant and reliable. In making management decisions, information about the state of the company is needed. The information in question is the company's financial performance. Meanwhile, the company's financial performance reflects the company's ability to manage the company's operations.

The financial performance of a company is very beneficial for various parties such as investors, creditors, analysts, financial consultants, government brokers and the management itself. Financial performance measures the company's performance in obtaining profits and market value. Relevant information is information that has the potential to influence decisions taken, while reliable information is information that is not misleading (reliable). Financial performance is a source of information for investors and will have a better impact on company value if supported by reports on responsible corporate governance (GCG) and Corporate Social Responsibility (CSR) disclosures (Maria, 2008). Unfortunately, relevant information is often not reliable, and conversely reliable information is often irrelevant. Until now accounting is more concerned with reliability than relevance, so that the information that is finally presented is often less relevant. In general, there are 3 types of a person's behavior towards risk (Levon, 2008), namely: 1.) Risk averse, is a person's behavior where it is necessary to increase returns to increase risk; 2.) Risk indifferent, is a person's behavior in which an increase in return is not required for an increase in risk; 3.) Risk seeking, is a person's behavior where even though returns decrease, they are not afraid to face risks. To be useful, this report must help predict future returns on investment. From accounting information in the form of financial reports, a financial ratio analysis can be made. Financial ratio analysis is a company performance analysis instrument that explains various relationships and financial performance indicators that are intended to show changes in financial conditions or operating performance in the past and are used to make predictions in the future. The meaning and use of financial ratios in business practice is in fact subjective, depending on what an analysis is done for and in what context the analysis is applied.

The Covid-19 pandemic has sparked a worldwide crisis. Not only the health crisis, but spreading to social to economic crises, including the financial sector. The regulatory and supervisory authority for the financial sector, namely the Indonesian Financial Services Authority, said that the Covid-19 pandemic had dealt a heavy blow. One for the Composite Stock Price Index. Transaction volume also fell, reflecting mostly the wait-and-see behavior of investors. Investors are concerned about future market conditions. At that time, investor panic was exacerbated by the emergence of various mutations of the Covid-19 virus, such as Delta which was first discovered in mid-2021, then Omicron in late 2021 to early 2022. Investors must be considered by the company by maximizing the value of the company, company value is a measure of the success of the implementation of financial functions. Appraisal of a company's performance can be seen from the company's ability to generate profits. Apart from being an indicator of the company's ability to meet the obligations of its funders, company profits are also an element in the creation of company value that shows the company's prospects in the future. The level of company profitability can be measured from several aspects, namely based on the profitability ratio. Profitability ratios consist of ratios, namely: gross profit margin (GPM), basic earning power (BEP), return on assets (ROA) or often called return on investment (ROI), and return on equity (ROE) (Brigham & Houston, 2006). To measure company performance from an investor's point of view, the return on equity (ROE) approach is used. The reason for using this ratio is that shareholders invest to get a return on their money and this ratio shows how well they have done so from an accounting perspective (Brigham & Houston, 2006). This is reinforced by the statement of (Wild & Halsey, 2005) which states that return on investment is a performance measure that is widely recognized. This measure makes it possible to assess the company's return on capital investment risk.

<table>
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<th>dimension</th>
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<td></td>
<td><img src="https://latex.codecogs.com/png.latex?0.497" alt="" /></td>
<td>0.247</td>
<td>0.172</td>
<td>177.1579457</td>
<td>1.856</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), GCG, ROA, CSR, ROE
b. Dependent Variable: TOBINSQ
Strengthens the reasons for using the return on equity ratio by stating that the return on investment is the most popular measure, companies with high levels of returns should be more able to make money in the capital market because they offer better returns to potential investors. (Bodie, 2006). One of the stages in the accounting process that is important for the purposes of management decision making is the stage of interpreting accounting reports, which includes financial ratios. Financial ratios are a form of important accounting information for a company during a certain period. Based on these ratios, it can be seen financial performance, as well as economic performance in the future. Because performance appraisal is basically an assessment of human behavior in carrying out the role it plays in achieving organizational or company goals. Based on the financial statements, it is known that the company's financial performance is carried out by analyzing financial statements by calculating financial ratios. The financial performance of a company is very beneficial for various parties such as investors, creditors, analysts, financial consultants, government brokers and the management itself.

Speculation and news related to Covid-19 on the capital market, the uncertain conditions of the pandemic caused investors to build speculation on the Indonesian capital market. Then, news related to Covid-19 also plays a role in influencing current and future market movements. Government response to the situation. The government's response to the pandemic has also affected the condition of a country's capital market. This is because the government's response to the pandemic will also influence how the economy will recover in the future. The decline in the Jakarta Composite Index/JCI (Capital market in Indonesia) within three months shows that the current pandemic is indeed severe. Meanwhile, on March 31, 2020, the signing of Government Regulation Number 21 of 2020, which regulates large-scale social restrictions in response to Covid-19, had just been carried out. Investor responses in this condition varied from several forums or social media. There are pros and cons who think the JCI will still decline, there are also those who think the Jakarta Composite Index will rebound among investors. Despite the high increase in the number of investors, the volume of transactions in 2019 was still higher than in 2020. This reflects that most investors tend to wait and see, waiting for the right time to make transactions. Market conditions have quite high volatility when viewed from transactions per day or per week in the second to third quarter of 2020. Investors who are commonly called "traders" take advantage of this condition by making fast transactions, of course accompanied by high risks. March is the month with the highest volatility in 2020 with the highest index. In addition, in the fourth quarter of October to be precise, it began to show a rebound so that the Jakarta Composite Index (JCI) could return to the area. In general, from March to December 2020 the JCI started to show price stability despite a decline in September. The Government's strategy in implementing the social distancing is considered appropriate, although it is a little late, seeing from the graph of the increase in the JCI starting from April 2020. An increase in the number of investors, especially retail investors, can have a positive impact on the world capital market. It is hoped that in the following years transactions in the capital market will be healthier with more and more retail investors. For this reason, retail investors also need to pay attention to the reasons for conducting transactions, not only buying and selling but digging deeper information about the issuer through fundamental and technical information. Apart from that, investors must also be mentally prepared for conditions like this pandemic. Good emotional condition is needed to deal with situations with negative trends like now, and also during positive trends. Be sure to use cold money in stock transactions, namely money that is not your daily responsibility. During this pandemic, there are still investors who consider stocks to be the same as gambling and make extreme decisions to sell their homes or seek loans to make transactions in the capital market. This measure makes it possible to assess the company's return on capital investment risk. Strengthens the reasons for using the ratio of return on equity and return on assets by stating that the return on investment is the most popular measure, companies with high levels of returns should be more able to make money in the capital market because they offer better returns to potential investors. The average investor has a tendency to buy or increase their shares in investments when conditions are good for a short or short time. At the same time, investors also tend to sell or reduce their shares in investments when conditions are not good for a short or short time. Investors are a constituent of the main users of decision and investment theories to understand the type of financial statement information needed when investing. One person's decision theory takes the point of view of someone who has to make decisions in conditions of uncertainty (Scott, 2003). In order for accounting information to be useful to those who need it, financial reports must be prepared in an objective and relevant manner. Thus, the financial performance reflected in the financial statements is still
used as material for consideration in making decisions to invest. Based on the results of data processing through simultaneous regression analysis, financial performance is reflected in ROE and ROA, corporate social responsibility, good corporate governance has an influence on firm value. The influence of financial performance, corporate social responsibility and good corporate governance on firm value is small because in Indonesia the prevailing Efficient Market Hypothesis is semi strong. The semi-strong form condition states that all information that is already known to the public (be it information from the capital market such as past prices or other fundamental information such as financial reports) is useless. Information from a fundamental perspective that has just arrived will be immediately visible on the price so that it cannot be exploited. If this is true, then all forms of Technical Analysis and Fundamental Analysis cannot provide added value. Thus non-fundamental factors are more a material consideration. In an efficient market, it is impossible for someone to consistently beat market performance using information that the market already knows, except by getting lucky. In any period, roughly half the investors will have a better return on the market and the other half will have a worse return simply by luck/bad luck.

5. Conclusion
Based on the results of the discussion that has been put forward, the conclusion in this study partially is that There is a significant positive effect of Return on equity on the value of the firm. There is not significant positive effect on Return on assets on the value of the firm. There is not significant positive effect of Corporate social responsibility on the value of the firm. There is not significant positive effect of good corporate governance on the value of the firm. There is simultaneously a significant influence between financial performance, corporate social responsibility, good corporate governance on firm value. Corporate value which is influenced by financial performance, corporate social responsibility, good corporate governance together is 17.20%, while the remaining 82.80% is influenced by non-fundamental factors. This is because the position of the Efficient Market Hypothesis is semi strong. In addition, the findings of this study can be developed to complement Graham's value investment theory, namely that there is a condition where there are stocks that are priced too cheaply or too high when measured by the average value of financial performance, corporate social responsibility, good corporate governance on firm value. Financial performance affects the value of the company. This is because in the first year the number of companies whose financial performance value is above the average. This means that investors still consider the value of ROE in making investment decisions. Corporate social responsibility affects company value. This is because in the first year the number of companies whose corporate social responsibility value was above the average, while in the second year it decreased and in the third year it increased again. Thus, investors who choose to invest in companies listed in the LQ-45 still use CSR information as material for consideration. Good corporate governance has no effect on firm value. In other words, investors do not really pay attention to information about GCG when investing in companies included in the LQ-45 list. Based on the conclusions put forward, the researcher's suggestion is, given the many measures that can be used in financial performance, it can be considered to use other performance proxies, for example PBV, or leverage. CSR proxies can use ratings from the Indonesian Ministry of Environment. GCG proxies can use the size of the audit committee.

References