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THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE, INVESTMENT RISK, FIRM PERFORMANCE MODERATED BY CORPORATE GOVERNANCE

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ABSTRACT: Purpose: This study aims to analyze the impact of Corporate Social Responsibility Disclosure (CSRD) and investment risk on firm performance with CEO integrity, ownership concentration, and independent board as moderating variables. CEO integrity, concentrated ownership, and an independent board of directors are hallmarks of Good Corporate Governance (GCG). **Methodology:** This study uses manufacturing companies listed on the Indonesia Stock Exchange during the period 2018-2022. The total sample for this study included 107 dates. Purposive sampling technique was used for the sampling method and SPSS 24 software was used for data processing in this study. **Results:** The results of in this research show that CSR disclosure does not have a significant impact on firm performance. Investment risk has a positive and significant impact on a company's performance. CEO integrity does not moderate the effect of his CSR disclosure on firm performance, but ownership concentration and independent board of directors moderate the effect of her CSR disclosure on firm performance. Although CEO and independent board integrity do not moderate the effect of investment risk on firm performance, ownership concentration does moderate the effect of investment risk on firm performance. **Applications/Originality/Value:** Even if an organization makes CSR disclosures, it does not directly impact its financial performance. Companies must understand and carefully manage investment risk to maintain and improve performance. Additionally, this study shows how ownership concentration and independent boards moderate the impact of CSR disclosure, it shows that highlighting the importance of corporate structure in optimizing corporate sustainability impact.

Keywords: Corporate Governance, Corporate Social Responsibility Disclosure, Good Corporate Governance

INTRODUCTION

Firm performance is an important measure of business success. A company's performance can indicate what results a company has achieved over a period of time and how well the company manages its resources. Classical economists state that a company's responsibility is to increase value for shareholders (Friedman, 2017). From this perspective, increasing profits is the main goal of most companies. However, other stakeholders and society as a whole should not be negatively affected by efforts to achieve these primary goals.

Companies tend to disclose only corporate information that reflects profitable firm performance. This is because corporate social responsibility disclosure (CSRD) is voluntary (Wolniak, 2016). Furthermore, it is argued that statements made by organizations about their corporate social responsibility (CSR) efforts may not be consistent with the actual implementation of these activities. Therefore, the credibility of companies' CSR reports is reduced and can be said to do more harm than good (Sylvia Jaworska, 2018). If insufficient attention is paid to CSR initiatives, it can have a negative impact on an organization's reputation. This is because these activities give individuals the impression that surface appearance takes precedence over actual content, which can have a negative impact on the overall performance of the organization. Therefore, a comprehensive analysis of the impact of corporate social responsibility (CSR) disclosure on firm performance is of great importance for management practice.

Resource-based view (RBV) organization theory states that organizations can achieve superior performance and competitive advantage through the ownership, acquisition, and continued use of strategic assets. Having an effective and appropriate risk management system in place provides many benefits to your organization. As a result, the presence of these assets within an organization can create a competitive advantage and improve a company's overall performance. A company's performance can be affected by changes in both internal and external aspects, and these changes can pose risks to a company's performance.

Corporations provide economic, social, and political benefits to voters, from which they derive the power to sustain and expand their operations (Shocker & Sethi, 1973). As a result, there is increasing awareness in the business world of the importance of companies behaving in an environmentally, socially, and ethically responsible manner (Lorena & Bilawal, 2022) dan (Matten & Crane, 2005). Increased awareness of stakeholder expectations by companies has increased the importance of corporate social responsibility (CSR) reporting as a means of accountability (Idasiak, 2018) dan (Tibiletti, 2020). Several empirical studies have provided evidence of the validity of Ullman's conceptual framework, excluding the influence of shareholders, who are considered key stakeholders (Idasiak, 2018). The lack of meaningful results for this stakeholder group can be attributed to the research's focus on groups that reflect concentrated ownership. This assumption is based on the idea that most shareholder interests are incompatible with corporate

social responsibility (CSR) policies and disclosures.

Therefore, in Indonesian companies, large shareholders often have influence over the company, even though they hold only a small portion of the company's cash flow. Such control is often achieved through various mechanisms such as multiple stock classes, pyramids, and cross-shareholdings (Blass et al., 2005) and (Lopez et al., 2023). Companies that adhere to corporate social responsibility (CSR) practices have the potential to provide benefits beyond those of shareholders. Moreover, such companies may be in a better position to exploit previously unknown business opportunities (Sánchez & Martínez-Ferrero, 2018) and (Dmytriyev et al., 2021).

This study may make important contributions to the existing literature. This study examines the importance of corporate social responsibility disclosure (CSRD) in achieving the competitive performance that companies describe. Aims to improve understanding of reputation, CEO qualifications, and corporate success. This study also aims to investigate the relationship between corporate social responsibility disclosure (CSRD), investment risk, and firm performance. Additionally, this study provides empirical evidence to support the direct and indirect relationship between corporate social responsibility disclosure (CSRD) and firm performance, which is dependent on leader characteristics, firm It contributes to the existing literature on social responsibility disclosure (social responsibility, CSRD) and firm performance.

Based on the above discussion, the researchers conducted a study on "The Role of Corporate Governance in Mitigating Social Responsibility, Investment Risk, and Firm performance Disclosure" for IDX-listed manufacturing companies in Indonesia for the period 2018-2022.

Literature Review

Agency Theory

The theoretical framework of agency theory, outlined by Musallam (2020), focuses on the dynamic interactions between principals and agents. Principals utilize the services of agents to perform various activities on their behalf. This may involve transferring decision-making authority from the principal to the agent. In a corporation run by shareholder capital, the shareholders act as principals and the CEO (chief executive officer) acts as its representative. Shareholders require CEOs to act in accordance with the interests of key stakeholders. According to Salno & Baridwan (2000), the explanation of the importance of earnings management is closely related to agency theory. Agency theory posits that earnings manipulation is influenced by conflicts of interest between managers (agents) and owners (principals). Conflicts of interest occur when both parties seek to achieve and maintain a desired level of financial success. Differences in interests between owners and management can influence the policies that management sets.

Stakeholder Theory

The concept of stakeholder theory includes a set of policies and practices related to stakeholders, their values, compliance with legal requirements,

recognition of social and environmental issues, and the corporate sector's approach to sustainable development. Stakeholders include a variety of organizations that have a significant impact on and are affected by the company, such as employees, communities, competitors, and government agencies (Purwanto, 2011).

According to Daud & Amri (2008), these categories should be prioritized as the most important factors when companies disclose information. The above definition of stakeholders suggests that organizations should prioritize stakeholders, considering their role as entities that directly or indirectly influence the company's activities and policies. Companies need to make clear that their obligations go beyond maximizing shareholder profits and, therefore, avoid acting solely for profit maximization in decision-making and expressions of social responsibility. It should not be limited. Instead, companies are encouraged to focus on promoting well-being, including the interests of shareholders and stakeholders. Stakeholders refer to individuals or groups that have a direct or indirect relationship with a company and have legal rights over its operations (Untung, 2008).

Legitimacy Theory

The concept of legitimacy is a fundamental aspect in various scientific disciplines and fields of research. This concept can be understood as a mutually agreed upon agreement or contract between a business entity and the broader social framework. According to (Suchman, 1997), legitimacy theory is the concept that groups are considered members of society and help meet society's expectations. From this perspective, if a company does not act in accordance with social values, its reputation is at risk. Therefore, companies that engage in notable CSR activities will gain legitimacy in the eyes of stakeholders and society, and will have a significant impact on the organization's economic performance. However, organizations that engage in undesirable CSR activities risk being viewed as unfair. Based on this view, many scholars have shown that CSR activities have a positive impact on firm performance.

Hypothesis Formulation

a. Corporate social responsibility (CSR) disclosure and firm performance

CSR is when a company communicates to the public about its social activities (community, environment, employees). Over time, several countries have made CSR reporting mandatory and reviewed disclosure requirements (Kukreja et al., 2020). In order to process CSR information/reports that exceed material information, organizations can either be proactive (acting on their own initiative beyond minimum stakeholder expectations) or passively (acting under social pressure) (Hyejoon Rim, 2017).

Stakeholder theory assumes that an organization's stakeholders, such as investors, customers, suppliers, and owner-managers, can support the implementation of company decisions. Managing stakeholder expectations and demonstrating concern helps organizations avoid decisions that may

encourage stakeholders to interfere with or harm the company's goals. According to Suchman (1997), legitimacy theory is the concept that groups are considered members of society and play a role in fulfilling society's expectations.

From this perspective, if a company does not adhere to social values, its reputation is at risk. Therefore, companies whose CSR activities are well known will be more legitimate in the eyes of stakeholders and society and will have a greater impact on the organization's economic performance.

However, organizations that engage in undesirable CSR activities risk being viewed as unfair. Considering these perspectives, many scholars have shown that CSR activities have a positive impact on corporate performance. Since CSRD reveals what an organization has done in terms of CSR activities, the possible relationship between CSRD and organizational performance is based on an organization's efforts through reporting CSR information to meet stakeholder expectations. Rephrase, is thought to generate positive signals.

Based on the research by (Platonova et al., 2018), (Fahad & Busru, 2021) and (Iram Hasan, 2022), it was found that CSR disclosure has an impact on firm performance. Based on the explanation above, the hypothesis of this research is:

H1: Corporate social responsibility (CSR) disclosure affects firm performance.

b. Investment risk and firm performance

According to Sugiarti (2022), risk is the likelihood that an event will occur that will affect the achievement of an organization's goals. Risk is uncertainty, the possibility of the unexpected happening, and the loss of opportunity regarding a company's finances. In financial management, this is known as the axiom of risk and return. This means that every action taken must contain a balanced risk-reward ratio. The higher the risk, the higher the potential reward. Business risk refers to the level of risk associated with a company's operations. Business risks consist of financial risks due to debt financing and the payment of fixed costs in the form of interest, and operational risks due to the use of fixed assets resulting in fixed depreciation costs (Sutrisno 2019). Risk in investment capital markets consists of only two types: systematic risk and unsystematic risk. Systematic risk cannot be eliminated through diversification and is therefore a concern for investors. For this reason, investors invest in stocks with the expectation of high returns. However, investors must also be prepared to take risks (Nugroho 2021).

The risks associated with the investments made will damage the company's reputation. Resource-based view (RBV) organization theory states that organizations can achieve superior performance and competitive advantage through the ownership, acquisition, and continued use of strategic assets. Having an effective and appropriate risk management system in place provides many benefits to your organization. As a result, the presence of these assets within an organization can create a competitive advantage and

improve a company's overall performance (Seidi et al. 2021).

A firm performance can be affected by changes in both internal and external aspects, and these changes can pose risks to a company's performance and sustainability. Risks associated with a company's operations can affect a company's profitability. Additionally, business risks or uncertainties related to the environmental capabilities of a company should be considered and taken into account when operating results fluctuate and negatively impact profitability (Vakilifard 2014). Based on the research by (Yusra & Rahmi, 2022), (Rumianti, 2023) and (Azzaki & Haryono, 2021), it was found that investment risk disclosure affects firm performance.

H2: Investment risk affects firm performance.

c. Corporate Social Responsibility (CSR) disclosure and firm performance with CEO integrity as moderating variable

Agency theory and stakeholder theory can be used as a framework to understand how CEO integrity influences the relationship between CSRD and firm performance. A CEO with high integrity is thought to be more likely to adopt and communicate her CSR practices that are consistent with the company's values and stakeholder interests (Mouselli & Hussainey, 2014). This strengthens the company's trust and reputation among shareholders and various stakeholders.

CEO integrity can also reduce the impact of CSR on firm performance by ensuring that CSR practices are effectively integrated into the firm's business strategy and operations. CEO is who remain true to their values of integrity are more likely to allocate corporate resources and energy appropriately, making CSR an integral part of a sustainable business model rather than just “greenwashing”. (Muntaha & Haryono, 2021).

Pham and Tran (2021) define integrity as the quality of honesty and strong moral principles. There is little consensus in the ethical leadership literature regarding the definition and conceptualization of integrity. In this sense, CEO integrity represents the characteristics of loyalty, integrity, and moral courage. From an ethical leadership perspective, Einseinbeis (2015) states that a CEO or senior executive who makes ethical decisions will not engage in unethical behavior. Additionally, CEO actions encourage others, such as followers and supporters, to have integrity, integrity, moral strength, and self-respect. CEO with high levels of integrity tend to have strong beliefs. As a result, we can better filter and identify ethical factors in decision-making situations, carefully evaluate these characteristics, and prioritize ethical considerations when making decisions for business success. You will be able to do it. CEO conscientiousness is higher when the CEO's predictions are consistent with the firm's performance. By taking responsibility for poor performance, CEO's demonstrate their willingness to take responsibility for the company's failures, even if it means potential losses

to the organization (Skarlicki, 2023).

CEO integrity lays the foundation for reliable and sustainable management of corporate social responsibility, which can positively impact firm performance. Previous studies by Ayem & Nikmah (2019), Khan & Manurung (2023) dan Muhfiatun et al. (2022) show that his CEO's integrity plays an important role in moderating the effect of corporate social responsibility disclosure (CSRD) on firm performance. Based on the explanation above, the hypothesis of this research is:

H3: CEO integrity moderates the relationship between corporate social responsibility (CSR) disclosure and firm performance.

d. Investment risk and firm performance with CEO integrity as moderating variable

Faisal (2020) found that CEOs tend to instill values in their organizations that align with their preferences and pay more attention to relevant aspects. A CEO with high integrity will pay particular attention to matters related to the finance department and internal audit department, which are closely related to risks to the company's business continuity. The director or CEO is responsible for ensuring that management achieves the company's goals. The more members a board has, the less the board's responsibilities and the more the board can do its job to its full potential. Moreover, in a large board of directors, the decisions made are considered by many thoughts in order to achieve maximum results and achieve the company's goals of minimizing investment risks and generating large profits (Fathya 2023). A study by Lestari (2017) found that the continuity of directors (CEOs) in implementing risk management and the ability of directors to decide on implementation strategies influence the improvement of the quality of a company's risk management. Increased board integrity allows corporate risks to be monitored and managed in a more precisely controlled manner. Improving the quality of risk management will help strengthen the short-term and long-term strategic planning of enterprises, and help realize the vision and mission of enterprises, that is, minimize investment risks and ensure good performance of enterprises. Reflection can facilitate the achievement of higher profits.

With an integrity CEO, companies tend to adopt risk management strategies that are more proactive and long-term focused. CEOs who adhere to the values of integrity are able to accurately assess investment risks and develop investment policies that reflect the long-term interests of shareholders (Septriani & Desi Handayani, 2018).

Agency theory can be used as a basis for understanding how CEO integrity can moderate the relationship between investment risk and firm performance. In an agency relationship, trust between owners (shareholders) and agents (management, including the CEO) is very important. A CEO who has high integrity can build trust with shareholders, help reduce information

asymmetry, and increase transparency in investment risk management. This can have a positive impact on investment decision making, reducing uncertainty, and in turn, improving firm performance (Siddique et al., 2023).

Overall, CEO integrity can act as a strong moderator and buffer the negative impact of investment risk on firm performance. CEO integrity significantly contributes to the balance between risks and desired outcomes by building trust and aligning the company towards better risk management practices (Saeed Jagirani et al., 2023). Based on the explanation above, the hypothesis of this research is:

H4: CEO integrity moderates the relationship between investment risk and firm performance.

e. Corporate Social Responsibility (CSR) disclosure and firm performance with ownership concentration as moderating variable

Corporate governance involves creating strategies and standards and developing measures to control and direct the organization, leading to a trustworthy and transparent CSR environment and disclosure. Corporate governance revolves around resolving problems that arise in agency relationships when the interests and goals of agents and principals differ. Corporate governance is used to measure the relationship between a company and its shareholders and finds a positive relationship (Javeed and Leven 2019). According to Lin & Nguyen (2022), concentration of share ownership describes a situation where the shares of a company are condensed in the pockets of a few large owners. When owners own a large number of shares in a company, they are more likely to monitor their managers. As a result, these shareholders will focus more on CSR practices because of their social reputation and the long-term development of the company.

Share ownership concentration can moderate the influence of Corporate Social Responsibility Disclosure (CSRD) on firm performance in a complex way. In this context, ownership concentration refers to how much share ownership is concentrated in a small number of major shareholders or control groups.

Agency theory can be used as a framework to understand how ownership concentration moderates the relationship between CSRD and firm performance. When stock ownership becomes more concentrated, large shareholders have more power to influence company policy. From a CSRD perspective, this means that large shareholders have a greater interest in a company's reputation and social responsibility, so companies with a higher concentration of ownership will disclose more substantive and authentic CSR information. It may mean that there is a high probability. However, as ownership becomes more concentrated, CSR policies may be selectively adjusted to suit the wishes of major shareholders and fail to reflect the interests of all stakeholders. The challenge is therefore to achieve the right balance between the

involvement of key shareholders and the need to meet the expectations of various stakeholders.

Therefore, ownership concentration may act as a complex moderator in the relationship between CSRD and firm performance, depending on the extent to which large shareholders' ownership incorporates and reflects overall interests. It can enhance or limit the positive effects of CSR (Pradnyani & Sisdyani, 2015). Akben-Selcuk (2019) and Siddique et al. (2023) found that the relationship between CSR and firm performance was positively moderated by ownership concentration, and the presence of effective control mechanisms by shareholders is shown. Based on the explanation above, the hypothesis of this research is:

H5: Ownership concentration moderates the relationship between Corporate Social Responsibility (CSR) disclosure and firm performance.

f. Investment risk and firm performance with ownership concentration as moderating variable

Concentration of ownership makes large shareholders more likely to be actively involved in investment risk management. These can encourage companies to adopt more conservative risk strategies or to diversify their investment portfolios to reduce their exposure to certain risks.

Agency theory, proposed by Jensen and Meckling, can be used as a basis for understanding how ownership concentration can moderate the influence of investment risk. According to this theory, agency conflicts can arise between owners (shareholders) and management. In situations where share ownership is more concentrated, owners have greater power to oversee and influence the company's investment policies. This can lead to more careful and long-term oriented investment decisions, reducing the potential negative impact of investment risk on firm performance (Jensen & Meckling, 2019).

Therefore, ownership concentration may serve as a reinforcement to maintain the balance between investment risk and firm performance (Jao et al., 2022). Concentration of corporate ownership can lead to stronger corporate governance controls. Large investors have an incentive to introduce stricter supervisory and management controls to reduce agency costs and enhance the role of investors in supervising portfolio companies (Atika et al., 2020).

Concentration of holdings is expected to play a role in reducing investment risk. Concentration of corporate ownership can lead to stronger corporate governance controls. Typically, large investors have the initiative to implement stricter monitoring and management controls to reduce agency costs (Atika et al., 2020). From this perspective, ownership concentration reduces the emergence of investment risks and promotes improved firm performance. Based on the explanation above, the hypothesis of this research is:

H6: Ownership concentration moderates the relationship between investment risk and firm performance.

g. Corporate Social Responsibility (CSR) disclosure and firm performance with independent board of commissioners as moderating variable

According to Riyadh et al. (2019), an independent board of commissioners is a board that comes from outside the company, so it does not have any relationship with the company and is expected to provide more objective input on the sustainability of a company. The greater the number of independent commissioners, the company's financial performance can increase because the company has people who are competent in running the company and making good decisions, especially regarding a company's CSR activities and disclosures. The existence of independent commissioners ensures that the interests of stakeholders, both majority and minority, are not ignored. Independent commissioners can help companies avoid external threats, thereby generating higher revenues and better financial performance (Wati et.al 2023).

Independent Board of Commissioners can help monitor the CSR disclosures that companies should make and make objective recommendations. Additionally, the independent committee members are external parties to the Company and therefore have no conflicts of interest with management. With effective supervision by independent agencies, companies that disclose CSR will receive a good evaluation in the eyes of investors, which will influence the improvement of firm performance (Janiartini & Syafruddin, 2020). A study by Karim et al. (2020) state that commissioner independence has a negative impact on the important relationship between corporate governance mechanisms, corporate social responsibility practices, and firm performance. These results support the predictions of agency theory that increased external party representation is a potential source of conflicts of interest between shareholders and management. However, these results suggest that when independent committee members are overly involved in the day-to-day operations of an organization, managers are less free to carry out their duties, which may have a negative impact on the relationship. Based on the explanation above, the hypothesis of this research is:

H7: Independent Board of Commissioners moderates the relationship between Corporate Social Responsibility (CSR) and firm performance.

h. Investment risk and firm performance with independent board of commissioners as moderating variable

Independent commissioners are associated with low-risk investment decisions. On the other hand, it is also claimed that excessive involvement of independent directors in the daily affairs

of the organization can limit managers from carrying out their functions freely (Karim 2020). The proportion of independent commissioners is considered to reduce risk, where a greater proportion of independent commissioners indicates increased supervision so that it can reduce risk and increase company profits (Atika et al. 2019).

Independent Board of Commissioners play an important role in mitigating the impact of investment risks on firm performance, particularly from a financial and operational perspective. The agency's independence ensures objective oversight and reduces potential conflicts of interest. Agency theory proposed by Jensen and Meckling supports the importance of external monitoring to overcome conflicts of interest between owners and management. The presence of an independent board provides investors with assurance that a company's risk policies and investment decisions are being effectively monitored, thereby minimizing the potential for adverse government agency action (Sultana, 2023). From a financial perspective, an independent board can ensure that a company's investment policy is aligned with shareholders' long-term goals. You can reduce the impact of investment risks by applying financial decision-making models that focus on optimizing risk and return. Additionally, Spence's signaling theory emphasizes that the presence of an independent board can be a positive signal to investors, demonstrating that a company is serious about managing investment risk by maintaining independent oversight. (Michael Spence, 2002). Overall, through this approach, an independent board can play a key role in maintaining a balance between investment risk and firm performance, positively impacting a company's finances and reputation (Kholid & Bachtiar, 2015). Based on the explanation above, the hypothesis of this research is:

H8: Independent Board of Commissioners moderates the relationship between investment risk and firm performance.

METHOD

Data, Population, Sample and Data Collection Techniques

Secondary data was used in this study. This secondary data was obtained from the Indonesia Stock Exchange (BEI) (http://www.idx.co.id). The data used are his 2018-2022 annual reports of manufacturing companies listed on the BEI. The population of this study is manufacturing companies listed on the Indonesia Stock Exchange (BEI) from 2018 to 2022. For sample selection, a purposive sampling method. The total sample was 107 companies. The criteria for determining the sample can be can be seen in table 1 below:

Table 1. Sample Criteria

No.	Sample Criteria	Amount
1.	Manufacturing companies listed on the Indonesia Stock Exchange (BEI) during the 2017-2021 period	154

2.	Manufacturing companies that present financial reports for the 2017-2021 period in foreign currency (Dollars)	(30)
		124
3.	Manufacturing companies that do not present annual financial reports consistently between 2017-2021	(17)
	Number of Samples	107
	Number of samples 115 x 5 years	535

Variables measurement

Table 2. Variables measurement

Variable	Indicator	Source
Firm performance	ROA $=\frac{Profit\ After\ Tax}{Total\ Assets}$	(Iram Hasan, 2022)
Corporate Social Responsibility (CSR)	CSR= $\frac{\Sigma\ Corporate\ Social\ Responsibility\ Disclosure\ Index\ Companies\ j}{Total\ items\ for\ company\ j\ ,nj < 139}$	(Priyo dan Haryanto 2022)
Investment Risk	Investment Risk = The standard deviation of stock prices.	(Siddique et al., 2023)
CEO Integrity	MD&A (Management Discussion and Analysis) disclosure index 1 = MD&A information present 0 = MD&A information is not present	(Dikolli et al., 2014)
Ownership concentration	OC=$\frac{Stocks\ owned\ by\ major\ shareholders}{Total\ number\ of\ shares}$	(Ainy & Barokah, 2019)
Independent Board of Commissioners	IBC $=\frac{Total\ number\ of\ independent\ commissioners}{Total\ of\ commissioners}$	(Sembiring & Saragih 2019)

RESULT AND DISCUSSION

Descriptive Statistic Analysis

Descriptive statistics tests included the variable data used in the study, namely CSR disclosure variables, investment risk, CEO integrity, ownership concentration and Independent Board of Commissioners, leverage, firm size and firm performance. The results of the descriptive statistical tests are shown in the table 2 below:

Table 3. Descriptive Statistic Analysis

Variable	Minimum	Maximum	Mean	Std. Deviation
ROA	-0.4992	1.0000	0.0514	0.11564
CSRI	0.2374	0.6835	0.4234	0.08183
RISK	0.0000	14022.2402	247.6376	783.34083
CEOI	0.6042	0.8125	0.7068	0.06172
OC	0.0933	0.9474	0.5685	0.22227
IBC	0.1667	0.7500	0.4003	0.09782
LEV	0.0630	2.8999	0.4480	0.26432

SIZE	25.3102	33.6552	28.53	1.568

In table 2 the descriptive analysis above shows:

1. Firm Performance
   The average (mean) value of the firm performance variables measured by ROA is 0.0514 with a standard deviation of 0.11564. The maximum value of the firm performance variables measured by ROA is 1.0000 at PT Kedaung Indah Can Tbk while the minimum value is -0.4992 at PT Waskita Beton Precast Tbk.
2. Corporate Social Responsibility (CSR)
   The average (mean) value of the CSR variable is 0.4234 with a standard deviation of 0.08183. The maximum value of the CSR variable is 0.6835 at PT Steel Pipe Industry of Indonesia Tbk and PT Unilever Indonesia Tbk, while the minimum value is 0.2374 at PT Duta Pertiwi Nusantara Tbk.
3. Investment Risk
   The average (mean) value of the investment risk variable is 247.6376 with a standard deviation of 783.34083. The maximum value of the investment risk variable is 14022.2402 at PT Gudang Garam Tbk while the minimum value is 0.0000 at PT FKS Food Sejahtera Tbk, PT Primarindo Asia Infrastructure Tbk, PT Bumi Teknokultura Unggul Tbk, PT Central Proteina Prima Tbk, PT Eterindo Wahanatama Tbk, PT Fajar Surya Wisesa Tbk and PT Keramika Indonesia Assosiasi Tbk.
4. CEO Integrity
   The average (mean) value of the CEO integrity variable is 0.7068 with a standard deviation of 0.06172. The maximum value of the CEO integrity variable is 0.8125 at PT Sepatu Bata Tbk, PT Gajah Tunggal Tbk and PT Lionmesh Prima Tbk, while the minimum value is 0.6042 at PT Argha Karya Prima Industry Tbk, PT Primarindo Asia Infrastructure Tbk, PT Central Proteina Prima Tbk, PT Buyung Poetra Sembada Tbk, PT Indomobil Sukses Internasional Tbk, PT Indocement Tunggal Prakarsa Tbk, PT Kabelindo Murni Tbk, PT Malindo Feedmill Tbk, PT Merck Tbk, PT Prima Alloy Steel Universal Tbk, PT Indo Acidatama and PT Wismilak Inti Makmur Tbk.
5. Ownership concentration
   The average (mean) value of the ownership concentration variable is 0.5685 with a standard deviation of 0.22227. The maximum value of the ownership concentration variable is 0.9474 at PT Keramika Indonesia Assosiasi Tbk, while the minimum value is 0.0933 for PT FKS Food Sejahtera Tbk.
6. Independent Board of Commissioners
   The average (mean) value of the independent board of commissioner's variable is 0.4003 with a standard deviation of 0.09782. The maximum value of the independent board of commissioner's variable is 0.7500 at PT Pyridam Farma Tbk and PT Suparma Tbk, while the minimum value is 0.1667 for PT Kimia Farma Tbk and PT Unilever Indonesia Tbk.
7. Leverage
   The average (mean) value of the leverage variable is 0.4480 with a standard deviation of 0.26432. The maximum value of the leverage variable

is 2.8999 at PT FKS Food Sejahtera Tbk while the minimum value is 0.0630 for PT Supreme Cable Maufacturing & Commerce Tbk.

8. Firm size
   The average (mean) value of the firm size variable is 28.53 with a standard deviation of 1.568. The maximum value of the firm size variable is 33.6552 at PT Astra International Tbk while the minimum value is 25.3102 for PT Primarindo Asia Insfrastructure Tbk.

Classic Assumption Test

a. Normality Test

Classical acceptance testing consists of normality testing. The Kolmogorov-Smirnov test was used in this study. The purpose of normality testing is to check whether the data is normally distributed. The results of the normality test are shown in Table 4 :

Table 4. Normality Test

	Asymp. Sig. (2-tailed)	
One Sample Kolmogorov Smirnov	0.168	Normal

Based on the normality test results listed in the table above, it can be seen that the normality test results obtained by researchers using Kolmogorov-Smirnov are normally distributed. The Sig value yields a Z-score of 1.112. 0.168. Because it's Sig value. > 0.05, the residual data of the regression model is said to be normally distributed

b. Multikolinearity Test

Multicollinearity testing is used to determine the presence of correlation between independent variables in a regression model. A good regression model has no correlation between the independent variables. The presence of multicollinearity symptoms can be identified by the tolerance and variance inflation factor (VIF) values. The results of the multicollinearity test are presented in table 5 as follows:

Table 5. Multicollinearity Test

Items	Tolerance	VIF	Description
CSRI	0.838	1.193	No multicollinearity
RISK	0.705	1.418	No multicollinearity
CEOI	0.946	1.057	No multicollinearity
OC	0.903	1.107	No multicollinearity
IBC	0.993	1.007	No multicollinearity
LEV	0.957	1.045	No multicollinearity
SIZE	0.629	1.589	No multicollinearity

Based on the results of the multicollinearity test, the allowed values for the variables CSR disclosure, investment risk, CEO integrity, ownership concentration, independent board of directors, leverage, and firm size are greater than 0.1, and the VIF value is less than 10. It turns out that there is. means that the regression model in this study did not have multicollinearity.

c. Heteroscedasticity test

In this study, we performed the heteroskedasticity test using the Glejser test by regressing the absolute values of the residuals of the independent variables. The results of the heteroscedicity test are presented in table 6 as follows:

Table 6. Heteroscedasticity Test

Items	B	Std. Error	t	Sig.	Description
CSRI	0.104	0.248	0.420	0.674	No heteroscedasticity
RISK	-0.031	0.024	-1.268	0.206	No heteroscedasticity
CEOI	0.736	0.491	1.499	0.135	No heteroscedasticity
OC	0.125	0.093	1.349	0.178	No heteroscedasticity
IBC	-0.188	0.156	-1.201	0.230	No heteroscedasticity
LEV	0.095	0.071	1.348	0.178	No heteroscedasticity
SIZE	-1.708	1.017	-1.679	0.094	No heteroscedasticity

Based on the results of the Glejser test, it is known that all independent variables have a significance value greater than 0.05, which means there is no heteroscedasticity problem in the regression model.

d. Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between residual error in period t and residual error in period t-1 (previous). A good regression model is a model that is free from autocorrelation. The autocorrelation test was carried out using the Durbin Watson test where the results can be seen in the following table 7:

Table 7. Autocorrelation Test

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.422	0.178	0.166	0.85134	1.238

Based on the autocorrelation results, it is known that the Durbin-Watson value is 1.238. The results can show that the regression model in the research does not have autocorrelation problems. This is because the Durbin-

Watson value of 1.238 is in the range -2 and +2.

Multiple linear regression analysis

Table 8. Multiple linear regression analysis (equation 1)

Variable	Unstandardized Coefficients		Standar Coefficients	T	Sig.	Description
	B	Std. Error				
(Constant)	0.654	3.069		0.213	0.831	
CSRI	0.327	0.231	0.065	1.413	0.158	Not Significant
RISK	0.144	0.032	0.224	4.483	0.000	Significant
F = 14,410						
Sig F = 0,000						
Adjusted R Square = 0,166						

From the results of the regression analysis, the following equation (1) is obtained:

$$KP = 0,654 + 0,327_{LnCSRI} + 0,144_{LnRISK} + e$$

From Table 8 it is known that the F-value is 14.410 and the sig value. equal to 0.000 which shows that the independent variables have simultant effect to firm performance the model was robust or suitable with the data. Adjusted R2 value obtained was 0.166, which shows that variations in firm performance variables can be explained by independent variable of 16.6% and the remaining 83.4% is influenced by other variables.

Table 9. Multiple linear regression analysis (equation 2)

Variable	Unstandardized Coefficients		Standar Coefficients	T	Sig.	Description
	B	Std. Error				
(Constant)	-1.153	0.376		-3.070	0.002	
CSRI	2.224	0.869	1.574	2.560	0.011	Significant
RISK	-.00008	0.000	-0.560	-0.549	0.583	Not significant
CEOI	0.247	0.433	0.132	0.571	0.568	Not significant
OC	0.213	0.134	0.410	1.590	0.112	Not significant
ICB	1.570	0.283	1.328	5.545	0.000	Significant
LEV	-0.129	0.019	-0.296	-6.845	0.000	Significant
SIZE	0.014	0.004	0.183	3.859	0.000	Significant
CEOI*CSRI	-0.812	1.020	-0.452	-0.796	0.427	Not significant
CEOI*RISK	-0.0002	0.000	-0.825	-0.678	0.498	Not significant
OC*CSRI	-0.642	0.321	-0.651	-2.000	0.046	Significant
OC*RISK	0.0004	0.000	1.728	4.001	0.000	Significant
IBC*CSRI	-3.472	0.652	-1.571	-5.329	0.000	Significant
IBC*RISK	-0.00008	0.000	-0.276	-0.708	0.479	Not significant

F = 7,180
Sig F = 0,000
Adjusted R Square = 0,131

From the results of the regression analysis, the following equation is obtained:

$$KP = -1{,}153 + 2{,}224_{CSRI} - 0{,}00008_{RISK} + 0{,}247_{CEOI} + 0{,}213_{OC} + 1{,}570_{IBC} - 0{,}129_{LEV} + 0{,}014_{SIZE} - 0{,}812_{CEOI*CSRI} - 0{,}642_{CEOI*RISK} - 3{,}472_{OC*CSRI} - 0{,}0002_{OC*RISK} + 0{,}0004_{IBC*CSRI} - 0{,}00008_{IBC*RISK} + e$$

From table 9 it is also known that the F-value is 7.180 and the sig value. equal to 0.000 which shows that the variables CSR disclosure, investment risk, CEO integrity, ownership concentration, independent board of commissioners, leverage and company size as well as the moderating variables simultaneously have a significant effect on firm performance. Meanwhile, the Adjusted R2 value of 0.131 shows that variations in firm performance variables can be explained by CSR disclosure variables, investment risk, CEO integrity, ownership concentration, independent board of commissioners, leverage and company size as well as moderating variables of 13.1% and the remaining 86.9%. influenced by other variables.

Hypothesis Test

T-Test

The results of the t test calculations obtained the following conclusions:

1. Based on the results of testing of the effect of CSR disclosure on firm performance, a t-value of 1.413 and a significance value of 0.158 were obtained. Because the significance value is greater than 0.05, H1 can be rejected.
2. Based on the results of testing of the influence of investment risk on firm performance, a t-value of 4.483 was obtained and a significance value of 0.000. Because the significance value is smaller than 0.05, H2 can be accepted.

Regresion Moderate Analysis (MRA)

This study uses an interaction test to test the moderating variable in the form of person organization fit using Moderated Regression Analysis (MRA). Analysis aims to find out the results of hypothesis 3, hypothesis 4, hypothesis 5, hypothesis 6, hypothesis 7, and hypothesis 8 with the role of person organization fit as a moderating variable. MRA is a multiple linear regression test, where in the regression equation there is an element of interaction.

The following is a result of the test of the moderating variable:

1. The role of CEO integrity in moderating the influence of CSR disclosure on firm performance, a t-value of -0.796 and a significance value of 0.427 were obtained. Because the significance value is greater than 0.05, H3 is rejected.
2. The role of CEO integrity in moderating the influence of investment risk on firm performance, a t-value of -0.678 and a significance value of 0.498 were obtained. Because the significance

value is greater than 0.05, H4 is rejected.

3. The role of ownership concentration in moderating the influence of CSR disclosure on firm performance, a t-value of -2.000 and a significance value of 0.046 were obtained. Because the significance value is smaller than 0.05, H5 is accepted.
4. The role of ownership concentration in moderating the influence of investment risk on firm performance, a t-value of 4.001 and a significance value of 0.000 were obtained. Because the significance value is smaller than 0.05, H6 is accepted.
5. The role of the independent board of commissioners in moderating the influence of CSR disclosure on firm performance, a t-value of -5.329 was obtained and a significance value of 0.000. Because the significance value is smaller than 0.05, H7 is accepted.
6. The role of the independent board of commissioners in moderating the influence of investment risk on firm performance, a t-value of -0.708 and a significance value of 0.479 were obtained. Because the significance value is greater than 0.05, H8 is rejected.

DISCUSSION

a. Corporate social responsibility (CSR) disclosure and firm performance

The results of the analysis using SPSS software show that Corporate Social Responsibility (CSR) disclosure on firm performance does not have a significant influence with a t-value of 1.413 and a significance value of 0.158. Because the significance value is greater than 0.05. So, it can be concluded that the CSR disclosure made by the company is not able to support increased performance. These results inform that the implementation of environmental disclosure by the company does not determine changes in firm performance through profits earned, so H1 is rejected. The findings in this study are consistent with the findings of previous research conducted by Kurnia & Raharja (2021), Mai Tran & Tran (2022) and Hidayah et al. (2021) which stated that there was no significant impact on the relationship between CSR disclosure and firm performance.

b. Investment risk and firm performance

The results of the analysis using SPSS software show that investment risk has a positive effect on firm performance with a t-value of 4.483 and a significance value of 0.000. Because the significance value is smaller than 0.05, H2 can be accepted. So, it can be concluded that the greater the investment risk, the greater the change in profits showing the company's performance. Implementing an effective and appropriate risk management system can provide many benefits for the organization. As a result, the existence of these assets in an organization can create competitive advantages and improve overall firm performance. Studies by Ayem & Nikmah (2019), Khan & Manurung (2023) dan Muhfiatun et al., (2022)

agree that risk makes a difference and influences firm performance.

c. Corporate social responsibility (CSR) disclosure and firm performance with CEO integrity as moderating variable

The results of the analysis using SPSS software show that CEO integrity does not moderate the influence of CSR disclosure on firm performance with a t-value of -0.796 and a significance value of 0.427. Because the significance value is greater than 0.05, H3 is rejected. So, it can be concluded that integrity is unable to strengthen or weaken the influence that CSR disclosure has on increasing firm performance as measured by profits. These findings do not support the results of the study by Siddique et al. (2023) which emphasizes the positive role of CEO integrity in moderating the impact of Corporate Social Responsibility Disclosure (CSRD) on firm performance can raise questions about the complexity of factors that influence the perception and impact of CSRD in the accounting environment.

d. Investment risk and firm performance with CEO integrity as moderating variable

The results of the analysis using SPSS software show that CEO integrity does not moderates the influence of investment risk on firm performance with a t-value of -0.678 and a significance value of 0.498. Because the significance value is greater than 0.05. then H4 is rejected. So, it can be concluded that integrity is unable to weaken the influence that investment risk has on improving firm performance. This could be because CEOs tend to instill values that suit their preferences into the organization and pay more attention to aspects related to this. CEOs with high integrity will pay special attention to matters related to the finance department and internal audit. of the company, of course this part is very closely related to the risk of the company's business continuity. Study Lestari (2017), stated that the consistency of directors (CEO) in implementing risk management and the ability of directors in determining implementation strategies, will have an impact on improving the quality of company risk management.

e. Corporate social responsibility (CSR) disclosure and firm performance with ownership concentration as moderating variable

The results of the analysis using SPSS software show that ownership concentration can moderate the influence of corporate social responsibility disclosure on firm performance with a t-value of -2.000 and a significance value of 0.046. Because the significance value is smaller than 0.05, H5 is accepted. So, it can be concluded that companies with concentrated share ownership tend to have broader public accountability, so they are more active in CSR reporting and have responsibility. In other words, companies with concentrated ownership will have the motivation to

carry out CSRD (Setiawan, 2021). These findings support previous studies conducted (Akben-Selcuk, 2019) and (Siddique et al., 2023), managed to find that the relationship between CSR and firm performance is positively moderated by ownership concentration, thus indicating the existence of an effective control mechanism from shareholders.

f. Investment risk and firm performance with ownership concentration as moderating variable

The results of the analysis using SPSS software show that ownership concentration moderates the influence of investment risk on firm performance with a t-value of 4.001 and a significance value of 0.000. Because the significance value is smaller than 0.05, H6 is accepted. This means that the concentration of share ownership can strengthen or weaken the influence that investment risk has on increasing firm performance. This result is not consistent with the opinion of Atika et al. (2020), that concentration of company ownership can increase company management control. Large investors have an incentive to carry out tighter supervision and management control to reduce agency costs and increase the role of investors in providing supervision to the companies in which they invest.

g. Corporate social responsibility (CSR) disclosure and firm performance with independent board of commissioners as moderating variable

The results of the analysis using SPSS software show that an independent board of commissioners can moderate the influence of corporate social responsibility disclosure on firm performance with a t-value of -5.329 and a significance value of 0.000. Because the significance value is smaller than 0.05, H7 is accepted. This means that the independent board of commissioners can strengthen the influence of corporate social responsibility disclosure on improving firm performance. With effective supervision from independent commissioners, companies that disclose CSR will have a good assessment in the eyes of investors and have an impact on improving firm performance (Janiarti and Muchamad 2020). The greater the number of independent commissioners, the company's financial performance can increase because the company has people who are competent in running the company and making good decisions, especially regarding a company's CSR activities and disclosures. These results support the findings of Karim et al. (2020) study, which states that commissioner independence moderates the significant relationship between corporate social responsibility practices and firm performance. The role of the board of commissioners as an effective monitoring mechanism for management depends on their non-executive and independent nature. In

addition, the inclusion of independent commissioners on the company board is an effective mechanism to reduce potential differences between management and shareholders.

h. Investment risk and firm performance with independent board of commissioners as moderating variable

The results of the analysis using SPSS software show that the independent board of commissioners cannot moderate the influence of investment risk on firm performance with a t-value of -0.708 and a significance value of 0.479. Because the significance value is greater than 0.05, H8 is rejected. This means that the concentration of share ownership is unable to strengthen or weaken the influence that investment risk has on increasing firm performance. The inability of the board of independent commissioners to moderate could be due to the fact that with increasing supervisory expertise, managerial opportunism including CSR activities becomes less common and as a result, if the proportion of the board of independent commissioners is high, there are more challenges that managers have to face. and the more effective the supervision carried out by the board. It is important to note that the results of this research can provide valuable insights for companies to improve the effectiveness of governance and risk management. This conclusion can also be a call for further evaluation of the structure and function of the independent board of commissioners, as well as improvements in measuring and reporting investment risk in accordance with applicable accounting standards.

CONCLUSION

Based on the discussion above, it can be concluded that (1) CSR disclosure does not have an effect on firm performance so hypothesis 1 was rejected, (2) investment risk has an effect on firm performance so hypothesis 2 is accepted, (3) CEO integrity does not moderate the effect of CSR disclosure on firm performance so hypothesis 3 was rejected, (4) CEO integrity does not moderate the effect of investment risk on firm performance so hypothesis 4 was rejected, (5) ownership concentration can moderate the effect of CSR disclosure on firm performance so hypothesis 5 is accepted, (6) ownership concentration can moderate the effect of investment risk on firm performance so hypothesis 6 is accepted, (7) The independent board of commissioners can moderate the influence of CSR disclosure on firm performance so hypothesis 7 is accepted, (8) The independent board of commissioners does not moderate the influence of investment risk on firm performance so hypothesis 8 was rejected.

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