THE EFFECT OF SUSTAINABILITY REPORTING, CORPORATE CULTURE AND ISO 14000 TOWARD CORPORATE FINANCIAL PERFORMANCE WITH GCG AS MODERATING VARIABLES

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ABSTRACT

This research aims to discuss the influence of sustainability reporting, company culture, and ISO 14000 on business performance with GCG conjunction moderation variable. This research method uses quantitative and secondary data. The sample verb in this research is corporate listed on IDX that report sustainability reporting in the period 2015 to 2017 listing on IDX. Sustaibility reporting three aspects of the environment, economic aspects, and social aspects. The results show that environmental aspects possess a positive influence on business performance, economic aspects possess a positive sway on business performance, charitable aspects own a positive impact on business performance, corporate culture own a positive impact on business performance, ISO 14000 has a positive influence on business performance, GCG has a positive impact on business performance, GCG strengthen the connection among the aspects of confusion and business performance, GCG strengthens the intercourse among the economic aspects and business performance, GCG strengthens the connection among the charitable aspects and business performance, GCG strengthens the connection among company culture and business performance, GCG strengthens the intercourse among ISO 14000 and business performance. Sustainability reports for company sustainability who think sustainable development will increase company value because of the bloster obtained from second stakeholders, Sustainability reports, corporate culture, and ISO 14000 with GCG as moderating variables are proven to be affected by financial performance. So that the existence of this research will provide information to employees or investors and have a contribution to explain the existence of agency theory.

Keywords: Environmental aspects, economic aspects, social aspects, corporate culture, ISO 14000 and GCG

INTRODUCTION

Sustainability reporting is a new paradigm where previously businesses that were only oriented on a single P (Profit) became a Triple P (Profit, Planet, People). The aim of sustainability reporting is to achieve sustainable development (KPMG, 2008). Sustainability reporting have to be section of the corporate strategy to create competitive advantage (Porter & Kramer, 2006) because it is proven that sustainability reporting has positively correlated toward financial performance (Weber, Koellner, Habegger, Steffensen, &Ohnemus, 2008). Sustainability reporting has revealed since various tragedies humanity and the environment in the world such as Minamata, Chernobyl, and Lapindo Mudflow. In Indonesia, the law governing sustainability reporting is the Law of PT. No. 40/2007 CHAPTER IV (Section 66 verses 2b & 2c) and CHAPTER V Section 74 verses 1 & 2, as well as the regulation of Bapepam LK No. X.K.6, where companies are obligated to report the implementation of social and environmental responsibility. However, the number of companies that publish sustainability reports in Indonesia is still small compared with developed countries (Susanto&Tarigan, 2013). Disclosure of sustainability reports (sustainability reports) has grown up and become one of the important things for every organization (Ernst and Young & Boston College Center, 2014). Sustainability report becomes a media for companies to inform the business performance in TBL to all stakeholders.

Sustainability reports become a media for companies to inform the business performance in TBL to all stakeholders. Many organizations have started to shift from the traditional way of only reporting financial aspects, changing to a more modern way, namely reporting all aspects, both financial and non-financial (social and environmental dimensions) to stakeholders. In a study conducted by (Clark, Feiner, &Viehs, 2014) on 7000 sustainability reports, founded that sustainability reports are widely used by organizations in predicting the market value of an organization. This is because the sustainability report does but contain business performance output but also non-financial output. A research conducted by (Ta'dirEkoPrasetia, Parengkuan Tommy, 2014) The issue of Good Corporate Governance (GCG) has emerged since the great economic crisis in the United States in 1929 and to prevent a crisis like this from happening again, so a better company management system and structure was developed. The failure of the exercise of CG in USA and in the UK is caused by a lack of leadership from the board of directors and investor indifference towards the corporate (Hardiningsih, 2010). Increasing public attention to the importance of corporate social responsibility is partly due to the negative impact the company's operations have on the environment which cannot be tolerated. The public wants companies to pay more attention to activities that can minimize pollution and use natural resources effectively and efficiently (Schaltegger & Synnestvedt, 2002), because consumers today are not only focused on price, quality and services, but also on business activities company. The community also has an interest in how companies treat their employees, whether companies that invest in the community, pay attention to the surrounding community, and whether the company cares about the environment so that it has stability for its sustainability (Nishitani, 2009). The International Organization for Standardization has developed an international standard on the environment, the ISO 14001 Environmental Management System (SML) which has been adopted by various industries in the world. ISO 14001 SML consists of five main elements, namely: 1) environmental policy; 2) environmental planning; 3) implementation and operation; 4) inspection and corrective actions; and 5) management assessment (National Standardization Agency, 2011). (Hinson & Ndhlovu, 2011), (Chen & Wang, 2011) and (Waddock & Graves, 1997) in their research found that the relationship between CSR and financial performance is an unbroken circle, so the relationship between CSR and financial performance works in two the direction. Companies that perform well will have excess cash, this provides an opportunity for companies to be able to implement CSR, and the application of CSR can lead companies to have better financial performance. Opinions Hinson & Ndhlovu (2011), Chen & Wang (2011) and Waddock & Graves (1997) support The Slack Resource Theory where better financial performance will motivate companies to invest in social areas, theoretically the higher the level of profitability achieved by the company, the stronger the effect of social disclosure on corporate value creation. The renewal in this research is that the Independent uses ISO 14000 14000 14000 so that according to the application of a good environment is already ISO 14000 14000 14000 certified.Furthermore, the overall objective of implementing ISO 14001 SML as an international standard is to support environmental protection and prevention of pollution that is balanced with socioeconomic needs. The economic benefits that can be obtained from the ISO 14001 SML include improving overall environmental performance, producing a framework in an effort to prevent pollution, increase efficiency and potential cost savings, and improve the company's image. Several studies have successfully proven that companies that have obtained ISO 14001 SML certification have benefits such as improving company image (Clements, 1996), continuous improvement and manufacturing cost efficiency (Ratnasingam, Wagner, & Albakshi, 2009), and company image.The research is to discuss the influence of sustainability reporting, company culture, ISO 14000 toward business performance with GCG be moderating. The significance of this study is to ante to stakeholders regarding influence from environmental aspects, housewifely aspects, social aspects, corporate culture and ISO 14000 toward financial performance by looking at a sample of companies that report sustainability reporting that has so far been very limited in Indonesia.

Based on the considerations formulated above, the objectives of this study are: 1. To analyze and study the effect of environmental aspects on financial performance 2. To analyze and examine the effect of Economic Aspects on Financial Performance 3. To analyze and assess the effect of Social Aspects on Financial Performance 4. To analyze and examine the influence of Culture on Financial Performance 5. To analyze and assess the effect of ISO 14000 14000 on Financial Performance 6. To analyze and assess the effect of GCG on Financial Performance 7. To analyze and assess the effect of GCG moderating the relationship between Environmental Aspects and Financial Performance 8. To analyze and assess the effect of GCG moderating the relationship between Economic Aspects and Financial Performance 9. To analyze and assess the effect of GCG moderating the relationship between Social Aspects and Financial Performance 10. To analyze and assess the effect of GCG moderating the relationship between culture and Financial Performance 11. To analyze and assess the effect of GCG moderating the relationship between ISO 14000 14000 and Financial Performance

LITERATURE REVIEW WITH HYPOTHESIS DEVELOPMENT

Social Disclosures in Annual Reports (Disclosures in Annual Reports of the mass media. The company issues to disclose information relating to its activities and takes into account what is caused by the company Gray, et al., (Quoted in Devina, Suryanto, and Zulaikha, 2004) citing three studio, namely: A. Study of the Use of Decisions Belkaoui (1989) (quoted in Anggraini, 2006) argues that companies that carry out social activities will disclose them in financial statements. Some of the studios conducted by researchers who expressed this opinion found the social evidence needed by the users of financial statements Analysts, bankers and other parties involved in this study, asked to conduct an assessment of accounting information. This accounting information is not limited to traditional accounting information that has been updated so far, but also other information that is relatively new in the accounting discourse. Which puts social activity information in an important position. b. Study of Economic Theory This study uses agency theory which analogizes management as an agent of a principal. Typically, principals are defined as shareholders or other traditional users. However, this understanding of the principal extends to all the interests of the group of companies owned. As an agent, management will be taken over by the company in accordance with the wishes of the community. c. Social and Political Theory Studies Studies in this field use stakeholder theory, organizational legitimacy theory and political economy theory. Stakeholder theory assumes that the existence of a company is determined by the stakeholders. The legitimacy of an organization can be said to be a potential benefit or source for a company to survive (Asforth and Gibs, 1990; Dowling and Preffer, 1975; O'Donovan, 2002; quoted from Ghozali and Chariri, 2007). Organizational legitimacy can be seen as something given by the community to the company and something that is desired or sought by the company from the community (Ghozali and Chariri, 2007). Sustainability reporting is a new paradigm where previously businesses that were only oriented on a single P (Profit) became a Triple P (Profit, Planet, People).

The purpose of sustainability reporting is to achieve sustainable development (KPMG, 2008). Sustainability reporting must be part of the company's strategy to create competitive advantage (Porter and Kramer, 2006) because it is proven that sustainability reporting is positively correlated to financial performance (Weber, Koellner, Habegger, Steffensen and Ohnemus, 2008). Sustainability reporting has emerged since there have been various humanitarian and environmental tragedies in the world such as Minamata, Chernobyl, and Lapindo Mudflow. In Indonesia, the law governing sustainability reporting is the Law of PT. No. 40/2007 CHAPTER IV (Article 66 paragraphs 2b & 2c) and CHAPTER V Article 74 paragraphs 1 & 2, as well as Bapepam LK Regulation No. X.K.6, where companies are required to report the implementation of social and environmental responsibility. However, the number of companies that publish sustainability reports in Indonesia is still small compared to developed countries (Meryana, 2013). In sustainability reporting there are three main concepts, namely: environmental aspects, economic aspects and social aspects, all of which are Triple Bottom Line Sustainability Reporting concepts. According to the Cadbury Committee, corporate governance is a system that functions to direct and control the company in order to achieve a balance between the strength and authority of the company in providing accountability to shareholders in particular and stakeholders in general. This relates to the rules of authority of directors, managers, shareholders and other parties related to the development of the company. Therefore, the main focus here is the decision making process of the company which contains the values of transparency, responsibility, accountability, and fairness. The decision-usefulness theory of accounting information has been known since 1954 and is a reference for the preparation of the Financial Accounting Standard Boards (FASB) conceptual framework, which is the Statement of Financial Accounting Concepts (SFAC) applicable in the United States (Staubus 2000). The usefulness of accounting information decisions contains components that need to be considered by presenters of accounting information so that the available scope can meet the needs of the decision makers who will use it. Gray et al (1996: 46) in Ahmad and Sulaiman (2004) state that an organization or company will continue to exist if the community realizes that the organization operates for a value system commensurate with the value system of society itself. Legitimacy theory encourages companies to ensure that their activities and performance are acceptable to society. Companies use their annual reports to describe the impression of environmental responsibility, so they are accepted by the community. With the acceptance from the community it is expected to increase the value of the company, so as to increase company profits. This can encourage or assist investors in making investment decisions. Legitimacy theory provides a more comprehensive perspective on CSR disclosure. This theory explicitly recognizes that business is limited by social contracts stating that the company agrees to show a variety of corporate social activities so that the company receives public acceptance of the company's goals which will ultimately guarantee the survival of the company (Brown and Deegan, 1998; Guthrie and Parker, 1989; Deegan, 2002; in Reverte, 2008). Gray et al. (1995) and Hooghiemstra (2000) in Reverte (2008) show that most of the knowledge related to CSR disclosure comes from the use of a theoretical framework that states that environmental and social disclosure is a way to legitimize the survival and operation of companies in society. Stakeholder theory says that companies are not entities that only operate for their own interests but must be able to provide benefits to their stakeholders. Thus, the existence of a company is strongly influenced by the support given by the company's stakeholders (Ghozali and Chariri, 2007). The definition of stakeholders according to Gray et al. (2001) are parties who have an interest in the company and can influence company activities. The stakeholders in question include the community, employees, government, suppliers, capital markets, and others. Ghozali and Chariri (2007) state that in stakeholder theory, companies are not entities that only operate for their own interests but must provide benefits to their stakeholders (shareholders of creditors, consumers, suppliers, governments, communities, analysts and other parties).

Aspects From Environmental Toward Financial Performance

Environmental aspects include various company activities such as influence for organizational action on the neighborhood. company's activities associated with neighborhood are now spotlight. A organization that is environmentally responsible means being aware that the environment needs to be maintained, so that stakeholders will believe in the corporate, with are confident of the corporate business continuity, because the company will not be disturbed due to operations that are not responsible for the environment. either the corporate goal for environmental performance, charitable and business performance in an yearly or special report is to show level for CG to investors and other stakeholders. The apocalypse aims to build a good and potent communication link among the organization and the public and other stakeholders concerning the corporate has amalgamated CSR and the social surroundings in each aspect of its surgery (Murwaningsari, 2009). Achieving the company's long-term goals is in line with CSR implementation. CSR is used per corporate charge for the surroundig and society. Implementation of CSR is no longer considered as a cost, but corporate investment along with the growing importance of CSR for the company (Agustine, 2014). Low information asymmetry causes firm-specific interpretation of information to be as strong among market participants, so no one can take advantage of trading based on that information. This will cause market-specific information to be more widely used by market participants and the synchronization of stock prices increases (positive relationship). However, (Hasan, Song, &Wachtel, 2014)

HI: There is a positive impact between environmental aspects towards business performance

Economic Aspects Towards Financial Performance

Economic aspects related to the economic impact of companies on stakeholders with housewifely international environments. Companies as social institutions have to show economic contributions to the wider community, so as to create added value for companies, one of which is good business continuity. Research results (Dianawati&Fuadati, 2016) CSR in the Economy has a positive impact on company image with the influence of 0.778 so that the better the CSR in Economics the more the corporate image is increased. The similar research results were also found by (Murwaningsari, 2009) social responsibility (CSR) in the economic field significantly positive effect on the image of the Green School foundation. Green School in carrying out its activities carried out effectively, efficiently and flexibly will improve the image of the foundation of the Green School. The outcome of this investigator analogous with the outcome of research completed by Yusdantara and Rahanatha (2015), Wijaya and Husni (2015) in their research state that CSR own a positive influence and important on the corporate image and shows the outcome that responsibility in the economic field has the most powerful and dominant influence. Another studies conducted by Ulum et al. (2014) that economic aspects affect the Company's Image.

H2: The positive impact AMONG Economic Aspects towards Business Performance

Social Aspects Toward Financial Performance

Social aspects related to corporate social activities on stakeholders, especially for employees, the community and the country, and consumers. The companies that care toward their stakeholders, so the loyalty of the stakeholders will be maintained well, so that it will minimize conflicts between the company and related parties, and business continuity will be better. The yield of this research are theoretically hope become able on contribute to development of science, especially in the field of marketing management in particular improving the company's image through the intercourse of organization charitble among factors with can provide empirical evidence with the results of previous research and as a reference and contribution of ideas for various parties will conduct a broader study of the impact of organization social among on company image. According to (Kotler & Lee 2005) this CSR the social field can improve Corporate Image, for example companies that have provided benefits / scholarships for the families of employees or the community. Their perspective on the company will certainly be different, indirectly; the company's image will increase. According to research (Agustine, 2014) social aspects possess a positive with important impact on the company's picture, this shows PT. PINDAD (Persero) actively supports social activities that provide positive benefits to the wider community in the form of support in the fields of education, religion, health, arts and sports. A similar result was found by Widiyasari (2015) CSR Social Sector (X2) had a positive effect on Corporate Image (Y) with the influence of 0.432 so that the better the Social Sector CSR provided, the more corporate image was increased.

H3: Positive effect among the charitable aspects toward business performance

Corporate Culture Towards Financial Performance

Traditionally, company performance is measured by financial performance obtained from financial statements. A good, growing and developing organization will pay attention to the management of human resources in order to carry out their functions optimally, especially in facing the dynamics of environmental changes that occur. Geiger (1998) found that cultural values can enhance commitment. If the employee commitment has been obtained, the loyal and able to work their best employees will get. In Ozzie &Malelak's research, 2015 shows that organizational culture can affect a business performance. The results of the first convergent validity test on organizational culture variables indicate that the loading value (λ) of the four indicators is Adhocracy, Clan, Hierarchy, and Market. Only Adhocracy and Clan are valued more than 0.50 so both indicators are valid in measuring organizational culture variables. Whereas the Hierarchy and Market indicators have a value of less than 0.50 with a T-statistic less than 1.96 so the two indicators are not statistically significant and are invalid in measuring organizational culture variables so these indicators must be eliminated from further testing (Limbs and Tarigans, 2016).

H4: The Positive Govern Among Corporate Culture toward BusinessPerformance

ISO 14000 Towards Financial Performance

The survey on the connection of surrounding performance and business performance has been carried out and produced various findings (Haslin et al.,2010), but research that seeks specifically discusses the influence of the five main principles of ISO 14001 SML on Financial performance has not been done much from the standpoint of how these standards are implemented. The five principles that become variables in this study are the first principle, environmental policies in the form of statements by organizations about their desires and associated with to roundly surrounding performance that supply a skeleton of measure and of the determination of surrounding goals with objectives.

The second principle, environmental planning in the form of making decisions about things to be done, where the purpose of planning or action plan is to create good conditions so that companies can carry out their activities in accordance with environmental policies based on correct information and internal proposals or company expectations about company performance. This plan includes the identification of environmental aspects, covering all elements of product or service activities, from companies that can have an impact on or interact with the environment, Requirements in ISO 14001 for inventorying important environmental aspects, demonstrating the need to increase awareness and concern for the environmental dimensions of product activities or services (Schaltegger&Synnestvedt, 2002). The third principle is the application and operation, namely the implementation of the environmental management system which includes fabric & responsibilities, education, realiazion & authority, intercourse, surrounding MS documents, papers control, operational trip supervisor, readiness & emergency reaction. The fourth principle, the inspection actions that carry out verification activities or checks on the efficiency of the implementation of SML activities in the company which includes monitoring and measurement, non-conformity, corrective and preventive actions, as well as environmental management system audits.

The fifth principle, management review in the form of evaluation actions and corrective actions. The application of ISO 14001 SML in the world is increasing due to the development of the strategic environment, changing demands and consumer behavior which includes international market trends for all kinds of products today which according to quality standards, future business development trends are increasingly complemented by demands and technical requirements from consumers who want quality and environmentally friendly products (Atantya, 2005; Shen& Qin, 2011). The success of management in managing the company is reflected in the performance achieved. Therefore, managers will consider the positive and negative impacts that will occur as a result of the adoption of a policy intended to apply the ISO 14001 SML. The results of the implementation of management in managing the organization may be see of the fiscal statements consisting of balance sheets, profit and loss, equity changes and flow statements. cash (IAI, 2004). A yardstick that is frequently employ to assess a organization financial condition and achievements is a ratio or index, which links two financial data (Sawir, 2005). To know the achievement or default of an corporate, all of these zeal must be measurable. Measurement is not solely on the input, but more emphasis on the output, or benefits of the program.

H5: The positive influence in ISO 14000 towards Business Performance

GCG on Financial Performance

By the Cadbury Committee, CG is a system in functions to lineal & trip supervisor the organization reguler to reach a equilibrium among the strength and authority of the organization in supplying accountability to shareholders in special & stakeholders in public. That relates to the rules of authority of directors, managers, shareholders and other parties related on development of the company. Hence, the major navel here is the judgment creation action of the company which contains the principle CG.

H6: There is a positive sway among the organizations GCG on Financial Performance Company

GCG Moderates The Intercourse Among Neighbourhood Aspects And Business Performance

Sphere performance is the performance of a company the worry about the surroundings. Neighbourhood performance is even to the attainment of companies that take the Company accomplishment Rating PROPER. This bill is 1 by the means made by KLH for push company compliance on executive life sphere. PROPER is routinely declare into the general, that way companies which is rate will receive propulsive or non-propulsive for reputation, hinging at the extent of fulfilment (Pujiasih, 2013). PROPER is not a substitute for existing conventional instruments, such as civil and criminal law enforcement, but programs that work in synergy with other instruments so that environmental quality can be carried out more effectively and efficiently (Sudaryanto, 2011). To ease relation & stakeholders in handle the performance outcome of each corporate compliance, the organizations neighbourhood performance ranking is divisible into 5 tint levels. Use of colour ranking is a form of communication to deliver performance to the public so that it is easier to understand and remember. Simply put, five colours will be scored consecutively with the highest value of 5 for gold, 4 for green, 3 for blue, 2 for red, and 1 for black. From research conducted by Suratno et al. (2006) explained that environmental performance influences the corporate business performance. This explains that environmental performance has an impact on the organization business performance.

H7: GCG moderates the relationship between Environmental Aspects & business Performance

GCG Moderates The Relationship Between Economic Aspects And Financial Performance

The information contained in the sustainable report on economic dimensions (EC) can ensure the potential of competitive capital resources at low risk level to stakeholders. Recent research published by Ernst & Young (2013) says that investors prefer to invest in transparent organizations in terms of forecasting accuracy and analysis, as well as information provided having lower asymmetry. With the trust of investors and creditors, the amount of funds in the company will increase. This funding can be used by organizations to improve existing financial performance. Further research conducted by Cahyandito (2010) Disclosure of economic performance in the sustainability report will increase company transparency which has an impact on increasing investor confidence and financial performance.

H8: GCG moderates the relationship between Economic Aspects and Financial Performance

GCG Moderates The Relationship Between Social Aspects And Financial Performance

Similar to environmental related activities (EN), social activities (SO) also require investment in assets to carry out sustainability activities in the social aspects. Sustainability activities are carried out not only for external stakeholders, but also internally. Therefore the impact of the disclosure of sustainable reports in the social sector (SO) can certainly be felt by all stakeholders of the organization (KPMG, 2008). Implementing and reporting social responsibility (SO) to stakeholders can not only increase the average stock price of the company, but can also improve employee welfare and loyalty, reduce employee turnover so that it can lead to increased company productivity (Ernst & Young, 2013). Therefore disclosure of ongoing reports in social aspects (SO) is important and influences the financial performance of the organization. Similarly, research conducted by Burhan and Wiwin (2012) shows that the performance of the social dimension (SO) has a significant impact on financial performance.

H9: GCG moderates the relationship between Social Aspects and Financial Performance

GCG Moderates The Relationship Between Corporate Culture And Financial Performance

One of the characteristics of organizational culture is having values related to rules and profits that are emphasized so as to improve the performance of the company (Desphpande& Farley, 1999). Given these characteristics, we can know that organizational culture influences financial performance. Research conducted by Kotter and Heskett (1992) shows that corporate culture has a significant impact on financial performance. Other research conducted by Daniel D Conant in 2007 also gave the result that organizational culture had a positive and significant influence on financial performance.
H10: GCG moderates the relationship between culture and Financial Performance.

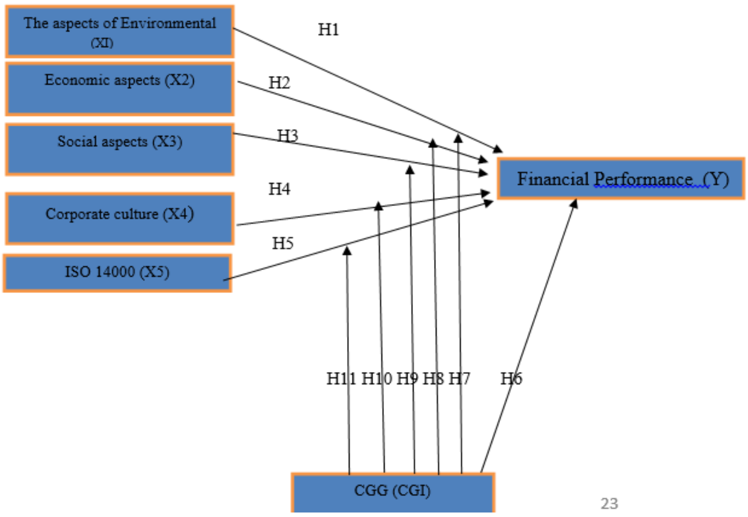
GCG Moderates The Relationship Between Iso 14000 And Financial Performance

One of the most ideal quality standards is ISO 14000 14000. ISO 14000 14000 is issued by the International Organization for Standardization (ISO 14000 14000) based in Geneva, Switzerland. The ISO 14000 14000 9000 standard is mandatory for many producers to be able to compete in the international market, by showing consistency in the quality of the products produced. For this reason, Indonesia has become one of the countries to fully adopt ISO 14000 14000, becoming the Indonesian National Standard 19-9000 (SNI 19-9000), so that more or less encourages Indonesian producers to produce in ways that are better, more effective and more productive. . With the ISO 14000 14000 quality system and the right application, a business is expected to be able to have a quality system that is fundamental and strong enough to control the quality of the business / business so that it can be easily developed and improved the quality control of its processes in the future. future. The ISO 14000 certificate from the

ISO 14000 series and the ISO 14000 series is the best known ISO 14000 standard. At present ISO 14000: 2000 and ISO 14000 14001 (1996 and 2004 versions) have been implemented by more than millions of organizations in 161 countries. (www.ISO 14000.org) The ISO 14000 14000 standard group on quality management system requirements that must be demonstrated by the organization, consists of: 1. ISO 14000, this standard explains the principles, principles and terminology of a quality management system

H11: GCG moderates the relationship between ISO 14000 and Financial Performance

Figure 2.1



METHODOLOGY

Sample

The population in this study are companies that are listed on the Indonesia Stock Exchange and also include companies that report sustainability reporting, in the period 2015 to 2017. The technique of taking research samples using purposive sampling is one of the techniques of non-random sampling where researchers determine the taking the sample by specifying specific characteristics that fit the purpose of the study so that it is expected to answer the research problem. Based on the explanation of purposive sampling, there are two things that are very important in using the sampling technique, namely non random sampling and setting specific characteristics according to the research objectives by the researcher himself. Secondary data used in this study were obtained from annual and financial reports available on the Indonesia Stock Exchange website.

Variable

1. **Sustainability Reporting**

   The formula for SRDI calculation is (Susanto&Tarigan, 2013b):

   a) Economic Aspects

   $$\text{Economic SRDI} = \frac{\text{number of items disclosed by the company (n)}}{9}$$

   b) Enviromental Aspects

   $$\text{Enviromental SRDI} = \frac{\text{number of items disclosed by the company (n)}}{34}$$

   c) AspekSosial

   $$\text{Social SRDI} = \frac{\text{number of items disclosed by the company (n)}}{48}$$

2. **Corporate culture:**

   According to (Helmi, 2014) indicators of corporate culture can use secondary data by looking at the items used in the company: service acceptance, disciplined control, value of independence, quick decision making, visionary and development.

3. **ISO 14000 ISO 14000**

   certification according to (Performances, n.d.) the company as a dummy. Where dummy 1 is used for company financial statements after being ISO 14000 certified, while dummy 0 is used for company financial statements before being ISO 14000 certified. Company size and company debt are control variables.

4. **GCG (Good Corporate Governance)**

   Good Corporate Governance is measured by using the GCG Score proxy, which contains several subindexes that are used as a reference in determining the scoring, including: 1. Shareholder Rights (Subindex A) 2. Boards of Directors (subindex B) 3. Outside Directors (subindex C) 4. Audit Committee and Internal Auditor (subindex D) 5. Disclosure to

Investors (subindex E) Subindex A describes the variables used to score the rights of shareholders. Subindex B explains about the variables used to score the board of commissioners. Subindex C explains about the variables used to score independent commissioners. Subindex D explains the variables used to score the audit committee and internal audit. Subindex E explains the variables used to score scoring disclosures to investors. According to Black, Jang, and Kim (2003). To obtain a total GCG score the formula is used:CGI = A + (B + C) / 2 + D + E ………… (2.1)

5. **Financial Performance (Return on Assets)**

$$\frac{\text{Net Income before Tax}}{\text{Total Assets}}$$

Sources: (Gitman&Zutter, 2015)

ANALYSIS AND FINDINGS

Descriptive statistics

Descriptive statistics are statistics used to analyze data by describing data that has been collected as it is without intending to make conclusions that are applicable to the public (Sugiyono, 2014). Descriptive statistics used in this study include: mean (average count), minimum and maximum values, and standard deviations (deviations from data from averages).

Assumption Test

To produce a good regression model, classic assumptions are needed. Classic assumptions consist of several things including, the assumption of normality, the assumption of the absence of multicollinearity symptoms, the assumption of autocorrelation, and the assumption of heteroscedasticity (Sugiyono, 2014) along with an explanation of the classic assumption test to be performed.

Data Normality Test

Data normality test has the aim to test the dependent and independent variables in the regression equation that both have normal distribution or not. A good distribution model is to have a normal distribution or close to normal because for a variable that has abnormal characteristics, it can reduce the accuracy in hypothesis testing. In this study the Kolmogrof-Smirnov statistical test will be used. This test is carried out with the following steps (Ghozali, 2016).

a. Hypothesis
   Ho: data is normally distributed
   Ha: data not normally distributed
b. Determine the significance level of 5% ($\alpha = 5\%$)
c. Criteria:
   - Ho is rejected if Prob. JB$\leq \alpha$
   - Conversely if Prob. JB $\geq \alpha$ (0.05) then Ho cannot be refused (Ho is accepted)

Multicollinearity Test

This test is conducted to determine whether there is multicollinearity in the regression model. Multicollinearity test aims to test whether the regression model found a high or imperfect correlation between the independent variables (Ghozali, 2016). If there is a strong relationship between the independent variables then there are symptoms of multicollinearity, conversely if there is no strong relationship between the independent variables means that there are no symptoms of multicollinearity (Rasul and Nurlaelah, 2010). In this study tolerance values and VIF (Variance Inflation Factor) are not used. These two measures indicate which each independent variable is explained by other independent variables. To show the existence of multicollinearity is tolerance <0.10 or equal to VIF> 10.

Autocorrelation Test

Autocorrelation test aims to test whether in a linear regression model there is a correlation between the error of disturbances (residual) in the period t with an error in the period t-1 (previous). If there is a correlation, then there is called an autocorrelation problem. This problem arises because residuals are not free from one observation to another (Ghozali, 2016). A good regression model is a regression model that is free from autocorrelation, to detect the presence of autocorrelation in the regression model.

Heteroscedasticity Test

Heteroscedasticity is a situation where the distribution of different population data points occurs in a regression. Heteroscedasticity will cause the estimation of the regression coefficient to be biased. Heteroscedasticity test aims to test if in the regression model there is an inequality of variance from the residuals of one observation to another (Ghozali, 2016) Detection of the presence or absence of heteroscedasticity can be done by looking at Heteroscedasticity occurs at the time of residuals and the predicted value has a correlation or relationship pattern. This pattern of relationship is not only a linear relationship, but in a different pattern it is also possible. Therefore there are several heteroscedasticity test methods owned by EViews, such as: Breusch - Pagan - G d fr e y, H a r v e y, Glejs e r, A R C H, W h it e and others. Ideally all heteroscedasticity test methods are tried so that we are sure that heteroscedasticity does not occur in this linear regression model. The decision whether or not heteroscedasticity occurs in the linear regression model is to look at the Prob value. F-statistics (F arithmetic). If the value of Prob. F count is greater than the alpha level of 0.05 (5%), then H0 is accepted, which means there is no heteroscedasticity, whereas if the Prob value. F count is smaller than the alpha level of 0.05 (5%) then H0 is rejected, which means heteroscedasticity occurs.

Determinant Coefficient (R2)

The coefficient of determination (R2) measures how far the model's ability to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one. A small R2 value means the ability of independent variables in explaining the variation of the dependent variable is very limited. Values that are close to one mean the variables Independent variables provide almost all the information needed to predict variations in the dependent variable (Ghozali, 2016).

Hypothesistest

Hypothesis testing (1,2,3) this study uses multiple linear regression analysis, multiple linear regression analysis is a study of the dependent variable dependent with more than one independent variable. The aim is to estimate and or predict the population average or the average value of the dependent variable based on the value of known independent variables (Ghozali, 2016) This analysis is to examine the effect of the dependent variable (Y) on financial performance on the independent variable (X), namely sustainability report, company culture and ISO 14000

The formula is:

$$Y = a + b1X1+ b2X2 + b3X3 + b4X4+ b5X5+b1X1.CGI + b2X2.CGI+ b3X3.CGI+ b4X4.CGI+ b5X5.CGI+e$$

Notasi :

Y = Financial Performance
a = Constant
b1- b6 = Coefficient of the regression direction
X1- X5 =Environmental Aspects, Economic Aspects, Human Aspects, Corporate Culture and ISO 14000
CGI = Variabel Corporate Governance Indeks
e = confounding variable(*error*)

RESULTS AND DISCUSSION

Descriptive statistics

Financial report data from sample companies that have been obtained, such as financial performance components, sustainability reports, organizational culture, ISO 14000 14000 9000, and CGI then made tables in the Microsoft Excel program to be processed further to meet the formula formulas of the model to be used . The program aids in the testing process by using statistical data processing software, namely Spss version 21 (Statistics Program for Social Science). Samples were taken with purposive sampling motive and obtained a total sample of 50 with an observation period of 3 (three) years, a total sample of 150 issuers was obtained

Table 1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Economic aspects	150	4.0	28.0	11.953	5.5155
Enviromental aspects	150	1.0	7.0	3.153	1.5619
Social aspects	150	1.0	5.0	2.160	1.1532
CULTURE	150	.0	60.0	36.200	15.3994
ISO 14000	150	.0	10.0	4.800	5.0127
GCG	150	10.0	50.0	29.000	14.7803
Financial performance	150	-96.0	394.0	65.720	83.0311
Valid N (listwise)	150				

Based on table 1 above, descriptive statistical results about the research variables can be presented as follows:

Economic Aspect (XI) The number of samples for the economic aspect is 150 companies have the lowest value (minimum) of 4.0 highest value (maximum) of 28.0, the average value of 11.9, the degree of deviation of data distribution (standard deviation) of 5,5. Environmental Aspect (X2) The number of samples for environmental aspects is 150 companies have the lowest value (minimum) of 1, the highest value (maximum) of 7, the average value (mean) 3.1, the degree of deviation of data distribution (standard deviation) amounting to 1.5. Social Aspects (X3) The number of samples for environmental aspects is 150 companies have the lowest value (minimum) of 1, the highest value (maximum) 5, the average value (mean) 2.1 levels of deviation of data distribution (standard deviation) of 1.1.Cultural culture (X4) The number of samples for the culture of the company is 150 companies have the lowest value (minimum) of 0, the highest value (maximum) 6, the average value (mean) 36.2 levels of spread deviations data (standard deviation) of 15.3.IS O 14000 (X5) The number of samples for ISO 14000 is 150 companies have the lowest (minimum) value of 0.0, the highest value (maximum) 10, the average value (mean) 4.8 levels of deviation of data distribution (standard deviation) of 5,01.Financial Performance The number of samples for financial performanceis 150 companies have the lowest value (minimum) of -98.0, the highest value (maximum) 39.4, the average value (mean) 65.7, the value of the level of deviation of data distribution (standard deviation) of 83.0

Table 2 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	49.338	55.665		.886	.377		
	economic aspects	-6.557	13.469	-.436	.487	.024	.800	1.310
	Environmental aspects	68.357	40.099	1.286	1.705	.013	.110	8.774
	Social aspects	-50.143	51.391	-.696	.976	.023	.120	8.392
	Culture	-.100	1.576	-.019	.064	.036	.740	3.477
	ISO 14000	8.191	3.968	.494	2.064	.046	.110	9.056
	CGI	-.951	1.634	-.169	.582	.026	.750	1.357
	aspekeknXgcg	-.100	.439	-.401	.227	.021	.200	3.430
	aspeklingXgcg	-.606	1.318	-.646	.459	.047	.300	2.096
	aspeksosXgcg	1.017	1.553	.811	.655	.041	.400	2.721
	cultureXGCG	.041	.043	.491	.952	.034	.240	1.906
	ISO14000XGCG	-.227	.120	-.569	-1.902	.051	.710	4.102

a. Dependent Variable: kinerjakeuangan

a. Dependent Variable: kinerjakeuangan

In table 4 the Tolerance value (TOL) ranges between 0 and 1 and if TOL = 0, then there is a high and perfect colinearity between the independent variables while the default SPSS for the tolerance number is 0,0001. From table 4 above, the Tolerance Value (TOL) for all independent variables in this study is greater than 0.10 if it is greater than 0.10 then there is no multicollinearity in the regression model used. The value of Variance Inflation Factor (VIF) for all independent variables in this study is less than 10, if the VIF value is smaller than 10 then there is no multicollinearity. Thus, based on the results of the analysis using Tolerance (TOL) and Variance Inflation Factor (VIF), then it can be detected that there is no multicollinearity.

Determination Coefficient Test (R2)

The value of R2 shows how large the proportion of the total variation of the dependent variable can be explained by the explanatory variable (independent). The higher the value of R2, the greater the proportion of the total variation of the dependent variable that can be explained by the independent variable. R2 shows how much the variation of explanatory variables (independent) affects the variation of the dependent variable

Tabel 3 **Model Summary[b]**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.634[a]	.475	.655	.96987642

a. Predictors: (Constant), CGI, aspeklingkungan, ISO 14000, budaya, aspeksosial, aspekekonomi
b. Dependent Variable: Kinerjakeuangan

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.486	6	2.414	2.667	.022[b]
	Residual	134.514	143	.941		
	Total	149.000	149			

Table 3 shows the magnitude of R of 0.634 and R2 of 0.475. It shows that the relationship level of sustainability report, culture and ISO 14000 to financial performance is 63.4%. While 65.5% of financial performance is influenced by sustainability report, culture, and ISO 14000 while 34.5% is influenced by other variables not examined in this study. While the significance value of 0.005 is smaller than 0.05. While the Fcount value is 2.667 with a significance F (sig-F) of 0.005 or less than 0.05, so it can be concluded that the regression model is feasible to predict ROA as a proxy of financial performance.

Hypothesis test

Significance test of individual parameters, also called the statistical t test is a test used to see the effect of partially independent variables on the dependent variable. This test is carried out by multiple linear regression tests at a 95% confidence level and an error in the analysis of 5%. The following are the results of the calculation of the t value and its significance level in this study:

Table 4 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	49.338	55.665		.886	.377		
	Economic aspects	-6.557	13.469	-.436	.487	.024	.800	126.310
	Environmental aspects	68.357	40.099	1.286	1.705	.013	.110	89.774
	Social aspects	-50.143	51.391	-.696	.976	.023	.120	80.392
	Culture	-.100	1.576	-.019	.064	.036	.740	13.477
	ISO 14000	8.191	3.968	.494	2.064	.046	.110	9.056
	CGI	-.951	1.634	-.169	.582	.026	.750	13.357
	AspekeknXgcg	-.100	.439	-.401	.227	.021	.200	493.430
	AspeklingXgcg	-.606	1.318	-.646	.459	.047	.300	312.096
	aspeksosXgcg	1.017	1.553	.811	.655	.041	.400	241.721
	cultureXGCG	.041	.043	.491	.952	.034	.240	41.906
	ISO14000XGCG	-.229	.120	-.569	-1.902	.051	.710	14.102

a. Dependent Variable: kinerjakeuangan

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.674[a]	.575	.712	82.71398

a. Predictors: (Constant), ISO14000XGCG, aspeklingXgcg, budayaXGCG, aspeksosXgcg, aspekeknXgcg
b. Dependent Variable: kinerjakeuangan

Based on table 6 above, The test of hypothesisin this research could be elaborated as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + b1X1.CGI + b2X2.CGI + b3X3.CGI + b4X4.CGI + b5X5.CGI + e$$

The data processing produces a regression model as follows:

***Y* =49,33 –6,557+68,357- 50,143- 0,100+8,191– 0,951 – 0,100 – 0,606 + 1,017 + 0,41 – 0,229+ e**

Discussion

The results of Hypothesis 1

Table 6 illustrates that the economic aspects of variables influence on financial performance, shown by the probability value of the economic aspects of significance of 0.024 less than 0.05. Thus the H1 hypothesis which explains that the economic aspect has an influence on financial performance is accepted.

The results of Hypothesis 2

Table 6 illustrates that the environmental aspects of variables influence the financial performance, shown by the probability value of the economic aspects of significance of 0.013 smaller than 0.05. Thus the H2 hypothesis which explains that environmental aspects affect the financial performance is accepted.

The results of Hypothesis 3
Table 6 illustrates that the social aspects of variables affect the financial performance, shown by the value of the probability of the significance of the social aspects of 0.013 smaller than 0.05. Thus the H3 hypothesis which explains that the social aspect influences financial performance is accepted.

The results of Hypothesis 4
Table 6 illustrates that cultural variables affect financial performance, shown by the cultural significance probability value of 0.036 smaller than 0.05. Thus the H4 hypothesis which explains that culture influences financial performance is accepted.

The results of Hypothesis 5
Table 6 illustrates that the ISO 14000 variable influences financial performance, shown by the significance value of the ISO 14000 number of 0.046 smaller than 0.05. Thus the H5 hypothesis which explains that ISO 14000 has an effect on financial performance is accepted.

The results of Hypothesis 6
Table 6 illustrates that the GCG variable influences financial performance, shown by the significance value of the GCG significance of 0.026 smaller than 0.05. Thus the H6 hypothesis which explains that GCG has an effect on financial performance is accepted.

The results of Hypothesis 7
Table 6 illustrates that the GCG variable moderates the relationship between economic aspects and financial performance, shown by the probability of the significance of the CGC moderate the relationship between economic aspects and financial performance by 0.047 smaller than 0.05. Thus the H7 hypothesis which explains that the CGC moderates the relationship between economic aspects and financial performance is accepted.

The results of Hypothesis 8
Table 6 illustrates that the GCG variable moderates the relationship between environmental aspects and financial performance, shown by the probability value of the CGC significance moderate the relationship between environmental aspects and financial performance by 0.047 smaller than 0.05. Thus the H8 hypothesis which explains that the CGC moderates the relationship between environmental aspects and financial performance is accepted.

The results of Hypothesis 9
Table 6 illustrates that the GCG variable moderates the relationship between social aspects and financial performance, shown by the probability value of the CGC significance moderate the relationship between social aspects and financial performance by 0.034 less than 0.05. Thus the H9 hypothesis which explains that the CG moderates the relationship between culture and financial performance is accepted.

The results of Hypothesis 10
Table 6 illustrates that the GCG variable moderates the relationship between culture and financial performance, shown by the probability of the GCG significance moderating the relationship between culture and financial performance by 0.034 less than 0.05. Thus the H10 hypothesis which states that the CGC moderates the relationship between the aspects of the industry and financial performance is accepted.

The results of Hypothesis 11
Table 6 illustrates that the GCG variable moderates the relationship between ISO 14000 and financial performance, shown by the probability of the significance of the CGC moderate the relationship between ISO 14000 and financial performance by 0.05 less than 0.05. Thus the H11 hypothesis which explains that the CGC moderates the relationship between ISO 14000 and financial performance is accepted.

Finding
This research objrctive at influence SR (economic aspects, environmental aspects and social aspects), corporate culture, and ISO 14000, ROA amd GCG. From the results of statistical testing can be concluded as follows:
1. Sustainability Reports that are measured through economic aspects have a positive influence on ROA.
2. Sustainability Reports that are measured through environmental aspects are sure to have a positive impact on ROA.
3. Sustainability Reports that are measured through social aspects are proven to have a positive clout on ROA.
4. Corporate culture that has been proven to have a positive effect on ROA.
5. ISO 14000 is evident to have a positive effect on ROA.
6. GCG which is evident to have a positive impact on ROA.
7. GCG moderating or strengthening the connection among economic aspects and ROA has proven to be influential.

Implication
Sustainability reports for company sustainability that allow SD that considers increasing company value because it support what is obtained from stakeholders. Sustainability reports, corporate culture, and ISO 14000 with GCG as moderating variables are proven to be affected by financial performance. So that the existence of this research will provide information to employees or investors and have a contribution to explain the existence of agency theory.

Suggestion

As explained above, the researcher appreciate tthis research is not-impeccable. consequence the researcher propose recommendation for improvements for future studies concerning Sustainability Report (economic aspects, environmental aspects, social aspects), corporate culture and ISO 14000, ROA & GCG :

1. The research period should use a longer observation period than this research. This goals to maximizel, picture obtained concerning the impact of Sustainability Report (economic aspects, environmental aspects, social aspects), corporate culture and ISO 14000, ROA and GCG as a mediocrity.
2. Future research can expand its research variables to the policies adopted by companies that report sustainability reports on data in annual financial reports.
3. Future research can improve the sampling technique so that the samples taken are not limited to organization listed on IDX, but all companies that report sustainability reports in Indonesia so that they can describe the condition of the entire population of companies in Indonesia.
4. Future studies use samples in ASIA countries so that there will be differences in each country.
5. Future research can use the more relevant ISO 26000 that updates the data.

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