An Effecting of Corporate Social Responsibility, Managerial Ownership, Institutional Ownership of Firm Values Towards Real Earnings Management

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Abstract
This research purpose is to confirm the effect of managerial ownership, institutional ownership and corporate social responsibility (CSR) to firm value with profitability as its moderating variable; independent variables are managerial ownership, institutional ownership and CSR. Dependent variable is firm value with moderate variable real earnings management. The study population is taken from the manufacturing firm that published its annual financial statements in the Indonesia Stock Exchange (IDX) 2014-2016 periods. The numbers of samples are 43 manufacturing firms with a total sample of 129 manufacturing firms in 2014-2016 periods and an associative with quantitative method and by using moderating regression analysis and using SPSS 20 Software.The result is CSR positively affect the firm value, institutional ownership affects the firm's value positively, managerial ownership has a positive but insignificant effect, real earnings management does not weaken the influence of CSR on corporate value. Real earnings management does not weaken the effect of managerial ownership on corporate value. Real earnings management does not undermine the influence of institutional ownership on corporate value.
Keywords: CSR, institutional ownership, managerial ownership, real earnings management, corporate value.

INTRODUCTION

A firm is an organization in which there is a group of people who work together to achieve goals, a main objective of a firm is to increase the firm value. In the process of maximizing the firm value, conflict of interest between manager and shareholder will arise. This is often called the agency problem. Often, managers in a management team of the firm have a purpose and other interests that conflict with the main objectives of the firm and often ignore the interests of shareholders. This difference of interest between the managers and the shareholders resulted in a conflict called the agency conflict. This happens because the managers put personal interests in the first place, whereas the shareholders do not like the manager's personal interest because it will increase the cost for the firm and influence the share prices thereby lowering firm value (Jensen & Meckling, 1976).

There are several alternatives to reduce agency costs, such as the management ownership of shares and institutional ownership of shares (Haruman, 2008). Increasing ownership by management will align managers' and shareholders' interest so that management will be motivated to increase firm value. The existence of management ownership will lead to an oversight of the policies to be taken by the management. Another ownership structure is institutional ownership, which generally can act as a party to monitor the firm. The greater the institutional ownership, the more efficient the utilization of firm assets and also expected to act as a deterrent to inefficiencies made by management. Institutional ownership is the proportion of share ownership at the end of the year owned by the institution, such as insurance, banks or other institutions (Tarjo, 2008); institutional owners will make efforts to increase the firm value. According to Morck et. al., and Mc Connel (Haruman, 2008), empirically exporting the relationship between ownership structure and firm value proxy to Tobin's Q score concluded that the ownership structure affects firm value.

CSR has an important role in a firm's business activities. CSR is a form of social activity from the firm's operations and concern for the community and its environment. The increased corporate image due to doing CSR activities can increase profit for the firm and support the creation of sustainable development. Disclosure of information about CSR can build a positive image of the firm in the eyes of the stakeholders (Orlitzky, Schmidt & Rynes, 2003). Fombrun et. al., (2000) argues that a positive image of a firm's reputation can help a firm build good relationships with society and it can be a capital for the firm to attract investors, extend contracts with suppliers, governments and to reduce capital costs.

The performance of the firm's management is reflected in the profit contained in the income statement. Statement of Financial Accounting Concepts (SFAC) No. 1, earnings information is a major concern for assessing performance or management accountability and also helps the owner or other parties in predicting earnings power of the firm in the future. Earnings management emerges as the impact of agency problems that occur because of the lack of shared interest between the shareholders and management. Principal is motivated to enter into contracts to pursue ever-increasing profitability while agents are motivated to maximize their economic and psychological needs, such as obtaining investments, loans, and compensation contracts. (Salno & Baridwan, 2000).

Roychowdury (2006) states that real earnings management can be performed through sales manipulation, discretionary cost reduction, and overproduction that will increase production costs. When the management has motivation to manipulate earnings, then the quality of earnings which will be used as a basis for assessing the firm and decision making is questioned with the fact of information asymmetry between management and investors or investors do not know what the management is doing. Real earnings management by firm management will increase the firm's value (Tobin's q) and then it will go down (Morck, Scheifer & Vishny, Herawaty, 2008).

Based on the background that has been presented, the problem formulation of this research is whether CSR, managerial ownership and institutional ownership influence the corporate value with real earnings management as moderating variable. Another difference with previous research is the use of the GRI (Global Reporting Initiative) standard in measuring social disclosure in this study. Another difference with previous research is the use of the GRI (Global Reporting Initiative) standard in measuring social disclosure in this study and the reason for using the GRI standard in this study is because the disclosures contained in GRI are international and can be used for various sectors and company sizes.

The reason for the use of GRI standards is because the disclosures contained in the GRI are international and can be used for various sectors and firm sizes. The focus of this research is real earnings management using a production cost approach that refers to the measurements developed by Roychowdhury (2006). Based on the above phenomenon, the researchers are interested in conducting a re-research that reveals the problem of real earnings management through a production cost approach on manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2014-2016 periods.

The formulation of research problem is (1) does managerial ownership affect the firm value? (2) Does the institutional ownership influence the firm's value? (3) does CSR affect the firm's value?, (4) whether real earnings management can strengthen the influence managerial ownership of firm value?, (5) whether real earnings management can strengthen the influence of institutional ownership on firm value? And (6) whether real earnings management can strengthen the impact of CSR on corporate value?

The benefits of this study are expected to provide input for academics in contributing to the development of financial accounting literature, especially in environmental accounting, corporate social responsibility, company reputation and company performance, for market managers and investors, regarding environmental accounting concepts, corporate social responsibility, company reputation and performance in their investment companies. The results of this study can be a reference to the study literature they will do in the future with the theme or development of similar topics in environmental accounting, corporate social responsibility, company reputation and company performance.

REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

Agency Theory

Agency theory explains that agency relations occur when the principal delegates authority for decision making to the agent. Eisenhardt states that agency theory uses three basic assumptions of human nature; (1) human beings are generally self-interested, (2) human beings have limited thinking about future perceptions (bounded rationally), (3) people always avoid risk (risk averse). Based on this basic human assumption, managers as human beings will act opportunistic, i.e. they will try their best to prioritize the achievement of its own interests. Managers as corporate managers have more internal firm information and future prospects than shareholders. Therefore, managers are obliged to give a signal to shareholders. Such signals may be provided in the form of disclosure of accounting information such as financial statements.

The concept of agency theory of Moeljono (2005: 27) is a relationship or contract between principal and agent, where principal is the party who employs agent to perform tasks for the interests of principal, while the agent is the party that runs the interests of principal. Hutabarat & Huseini (2006: 47) agency relationships are contracts whereby one or more people (principal) hire another person (agent) to execute a number of services and delegate authority to make decisions to the agent. The agency theory suggests that owners and managers have different interests that lead to conflicts called agency conflict. The application of agency theory can be realized in a work contract that will regulate the proportion of rights and obligations of each party while still taking into account the overall benefit. The essence of agency theory or agency theory is the proper design of contracts to align the interests of principals and agents in the event of a conflict of interest (Moeljono, 2005, p.28).

Stakeholder Theory

Sugiharto (2005: 36) Stakeholder theory says: "A firm is not an entity that only operates for its own interests but must provide benefits to its stakeholders (shareholders, creditors, consumers, suppliers, governments, communities, analysts and others). Thus, the existence of a firm is strongly influenced by the support provided by stakeholders to the firm. The survival of the firm depends on the support of stakeholders and the support should be sought so that the firm's activity is to seek such support. Kartajaya (2006: 50) said that the organization will choose the important stakeholders, and take actions that can generate harmonious relationships between companies with stakeholders.

Legitimacy Theory

Lindrianasari (2010: 167) explains that the theory of legitimacy is very useful in analyzing organizational behavior, legitimacy is important to the organization, the limits emphasized by social norms and values, and reactions to those limits promote the importance of organizational behavioral analysis with regard to the environment. Legitimacy is considered an assumption that an entity's actions are desirable, appropriate and appropriate to socially developed systems, norms, values, beliefs and definitions (Rawi & Munandar, 2010). The legitimacy of the organization can be seen as something that society gives to the firm and something the firm wants or sought from society.

Corporate Social Responsibility

The World Business Council for Sustainable Development (WBCSD), which is an international institution established in 1955, through the publication of "Making Good Business Sense", defines CSR as a business commitment to contribute to sustainable economic development. It is done through working with employees and their representatives, their families, local communities and the general public to improve the quality of life in ways that benefit both their own business and development (Hadi, 2014). Sayekti et. al., (2007) explained that companies that carry out CSR activities tend to get legitimacy from the community, so the conflict of interests between the community and the firm can be minimized. Provisions on CSR activities in Indonesia are regulated in Law no. 25 of 2007 concerning Investment and Law no. 40 of 2007 concerning Limited Liability Companies which require companies or investors to carry out CSR.

Managerial Ownership

Managerial ownership is a condition that indicates that the manager has shares in the firm i.e. as manager as well as the shareholder of the firm. The existence of share ownership means that the manager will benefit directly from the decision taken, but will bear the risk directly if the decision is wrong. The higher proportion of managerial share ownership is better the firm's performance. Centralization of interests can be achieved by providing ownership of shares to managers. If managers have firm shares, they will have the same interests as the owner. If the interests of the manager and owner are aligned, agency conflict can be reduced. Suppose the agency conflict can be reduced, the manager is motivated to improve the firm's performance. But high levels of managerial ownership can create defense problems and its means, with high managerial ownership, they have a strong position to control the firm and external parties will have difficulty to control the actions of managers. This is because managers have large voting rights in managerial ownership (Siswantaya, 2007).

Institutional Ownership

Institutional shareholders are usually in the form of entities such as banking, insurance, pension funds, mutual funds and other institutions. Institutional investors are generally large shareholders because they have large funding. The greater the level of institutional share ownership the greater the oversight being made to hinder the opportunistic behavior of managers. Institutional ownership is part of corporate governance mechanisms in the firm. Institutional ownership, by some researchers, is believed to affect the firm's performance in achieving the firm's goal of maximizing corporate value. Institutions with relatively large shareholdings within the firm may accelerate the management of the firm to provide voluntary disclosure. The presence of optimal supervision on the performance, the managers will be more careful in making decisions. Rachmawati & Triatmoko (2007) stated that in relation to monitoring function, institutional investors are believed to have the ability to monitor management actions better than individual investors.

Firm Value

One of the alternatives used in assessing firm value is by using Tobin's Q. (James Tobin, 1967). This ratio is a valuable concept as it shows the current financial market estimates of the return value of each incremental investment dollar. If the q ratio is above one, it indicates that the investment in the asset produces a profit that gives a higher value than the investment expenditure, this will stimulate new investment. If the q ratio is below one, the investment in the asset is not attractive. So the q-ratio is a more measure is thorough about the effectiveness of resource management in resources. Lindenberg & Ross (1981) shows how the q-ratios can be applied to each company. They found that some companies can maintain a q-ratio greater than one. Economic theory says that a q ratio greater than one will attract new resources and energy up to a q-to-one ratio. It is often adults to determine whether a high-q ratio indicates management superiority or benefits from being patented.

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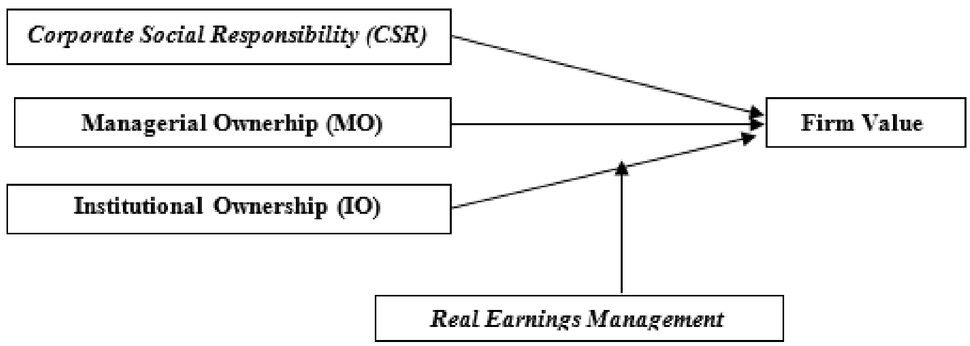
Real Earnings Management

The purpose of earnings management is to improve the welfare of certain parties, although in the long run there is no difference in the firm's cumulative earnings with profits that can be identified as an advantage (Fischer & Rosenzweirg, Herawaty, 2008). Roychowdhury (2006) explained that earnings management can be done with pure earnings accrual management and real profit management. Accrual profit management is done at the end of the period when managers know profits before being engineered so they can know how much manipulation is needed to achieve profit targets. Real earnings management is a manipulation performed by management through everyday activities during the accounting period. Profit management through real activity is defined as a deviation from the normal operating activities of a firm that is motivated by management's desire to provide a false understanding to stakeholders that certain financial reporting objectives have been achieved through the normal operating activities of the firm (Roychowdhury, 2006).

Real earnings management is an opportunistic action undertaken by management through day-to-day firm activity during the accounting period to manage corporate earnings. This real profit management can be carried out only during the accounting period, without waiting for the end of the period, making it easier for managers to achieve the desired profit targets. The real earnings management performed by management demonstrates the short-term performance of a good firm that potentially lowers the firm's long-term value, because the actions taken by management to improve the current year's earnings will have a negative impact on the firm's performance next period (Roychowdhury, 2006).

Conceptual Framework



Picture 1

Research Hypothesis

The Influence of CSR to Corporate Value

CSR is expressed among others in a report called Sustainability Reporting. CSR can be sustainable if the program created by a firm really is a joint commitment of all the elements that exist within the firm itself. The main purpose of the firm is to increase the firm value and will be guaranteed to grow sustainably if the firm takes into account the economic, social and environmental dimensions as sustainability is a balance between economic, environmental and community interests. The dimensions are in the application of CSR by the firm as a form of responsibility and concern for the environment around the firm. Implementation of CSR will increase the firm value viewed from the stock price and earnings because of the investors who invest in the firm's shares. Nurlela & Islahuddin (2008) stated that in the presence of good CSR practices, it is expected that the firm value will be well valued by investors. Based on the above explanation the following hypothesis is formulated:

H_1: CSR has a positive effect on firm value.

The Effect of Institutional Ownership on Firm Value

Institutional investors are considered to have the ability to monitor management actions better than individual investors. Institutional ownership generally can act as a party to monitor the firm. The greater the institutional ownership the more efficient the utilization of corporate assets and is expected to also act as a deterrent to inefficiency made by management (Faizal, 2004). This means that institutional ownership is a powerful mechanism that can motivate managers to improve their performance that can ultimately increase firm value. With the existence of institutional ownership will be able to monitor the management team effectively and can increase the firm value. But the above study differs from Jennings (2002), which showed that institutional ownership does not succeed in increasing firm value, as institutional ownership lowers firm value.

Institutional investors are not the majority owners, so they are not able to monitor the performance of managers properly. Institutional existence decreases public confidence in the firm. As a result, the stock market reacted negatively in the form of declining trading volume of stocks and stock prices, thereby lowering shareholder value. Thus, the hypothesis is as follows:

H2: Institutional ownership positively affects Corporate Value

The Effect of Managerial Ownership on Corporate Value

Herawaty (2008), Jensen & Meckling (1976) states that managerial ownership succeeds becoming a mechanism for reducing agency problems from managers by aligning managers interests with shareholders. Agency problems can be minimized by enlarging managerial ownership so that management will tend to seek to improve its performance for shareholders' interests. An executive's ability to demonstrate opportunistic behavior is limited by internal control or more shares owned by management, the lower the profit management practice. Ujiyantho & Pramuka (2007) stated that managerial ownership has a significant negative effect on earnings management. These results indicate that managerial ownership can be a corporate governance mechanism that can reduce the unconformity of interests between management and the owners or shareholders. Thus, the hypothesis in this study is as follows:

H3: Managerial ownership positively affects Corporate Value

The effect of CSR on Corporate Value with Real Earnings Management as a moderating variable

The sustainability of positive financial performance will be easily achieved and accepted by external parties by performing CSR disclosure. Possible efforts are made by managers to improve relationships between companies and stakeholders and the social environment of society, in this case CSR. To attract support, CSR activities commonly include incorporating social aspects into the production process, adopting progressive human resource development practices, promoting environmentally friendly activities through recycling and reducing pollution and waste, or by accelerating the goals of the organization community (McWilliams et. al., 2006). The positive impact of CSR on corporate value is significantly reduced when companies engage in CSR activities as a consequence of earnings management. Managers who take refuge in accounting adjustments tend to over-invest in activities that enhance corporate CSR as one of self-defense strategies. The emergence of social consent from this strategy is unproductive and wasteful, expected to have a negative marginal impact on financial performance that will impact on firm value (Rahmawati & Dianita, 2011).

Due to limited ability of the managers to report high earnings, which results in unachieved profit targets if only using discretionary accruals at the end of the year, the managers reduce the risks by manipulating real activity during the year (Wei Yu, 2008) and consistent with Graham et. al., (2005) that companies are switching to managing earnings manipulation using real earnings? because, although this technique is more expensive, it tends to be more difficult to detect. Such actions aim at reducing organizational flexibility and affecting adverse financial outcomes. Therefore, the level of manipulating real activity weakens the relationship between CSR and firm value, stated that managers in corporate earnings management tend to be more active in improving their image and attracting support from the public and stakeholders through CSR policies. Hypothesis is;

H4: Real Earnings Management weakens the relationship between CSR and Corporate Value.

The Effect of Managerial Ownership on Corporate Value with Real Earnings Management as a Moderating Variable

Suppose the managerial ownership is high, it has a strong position to control the firm, because managers have large voting rights from the managerial ownership (Siswantaya, 2007). Earnings management is an action performed by management in choosing an accounting policy of a certain standard with the aim to maximize the welfare or value of the firm. Earnings management, Copeland (1968) as, "some ability to increase or decrease reported net income at will" means the ability of management to increase or reduce reported net income at will and can be done by utilizing the different information received by the management and firm owners, when a firm owner or shareholder finds an indication of the occurrence of earnings management within the firm, the firm value goes down drastically in the stock market (Dechow & Sweeney, 1996).

It will have a very serious impact on the owners of the firm and other stakeholders. When this happens, the stakeholders will take action that will threaten the existence of management. Kusumadevie (2013) showed that managerial ownership and the proportion of independent board of commissioners had a significant positive effect on corporate earnings and value management.

H5: Real Earnings Management weakens the relationship between Managerial Ownership and Corporate Value.

The Effect of Institutional Ownership on Corporate Value with Real Earnings Management as a Moderating Variable

Through institutional ownership mechanisms, the effectiveness of enterprise resource management by management can be known from information generated through market reaction to earnings announcement. Institutional ownership has the ability to control the management through an effective monitoring process, thereby reducing management actions to earnings management. Percentage of certain shares owned by the institution may affect the process of preparing financial statements that do not rule out accruals in the interests of the management (Gideon, 2005, Ujiyantho & Scouts, 2007).

The presence of high institutional ownership limits managers to earnings management, some of these studies monitoring mechanisms conducted due to institutional ownership will ensure an increase in shareholder wealth because institutional ownership will oversee stronger, because of their considerable investment in the firm, suppose the institutional feel dissatisfied with managerial performance, then they will sell their shares to the market. Siregar & Utama (2006) stated that if earnings management is done efficiently then high institutional ownership will improve earnings management (positively related), but if the firm's profit management is opportunistic then high institutional ownership will reduce earnings management (negatively related). Siregar & Utama's (2006) study found a positive but insignificant relationship between institutional ownership and earnings management.

Ujiyantho & Pramuka (2007) found that institutional ownership has no effect on earnings management. The same view is also expressed by Cornett et. al., (2006) who claim that institutional ownership will make managers feel bound to meet the profit targets of investors, so that they will still tend to engage in earnings manipulation.

H6: Real Earnings Management weakens the relationship between Institutional Ownership and Corporate Value.

RESEARCH METHODOLOGY

Research Variable

Three independent variables and one dependent variable are used; independent variables are management ownership, institutional ownership and CSR. The modeling variable is earnings management. The dependent variable in this study is Corporate Value. Firm value can be seen in terms of financial statement analysis in the form of financial ratios and in terms of stock price changes. In this study, firm value was measured using Tobin's Q and has been used by Suranta & Midiastuty (2003) and Rika & Islahudin (2008).

Tobin's Q is calculated by the following formula:

$$Q = \frac{(\mathrm{MVE} + \mathrm{DEBT})}{\mathrm{TA}}$$

Where:

Q = corporate value.
MVE = market value of equity.
TA = book value of total equity.
DEBT = book value of total debt.

Market Value of Equity (MVE) is obtained from the closing price of the closing stock at the end of the year with the number of shares outstanding and TA is derived from the difference between the total assets of the firm and its total liabilities.

The independent variables are as follows:

Managerial ownership is the percentage of share ownership by directors, management, commissioners or any parties directly involved in corporate decision-making (Diyah & Erman, 2009). This variable is used to determine the benefits of management ownership in agency conflict reduction mechanisms (Tendi Haruman, 2008); management ownership is measured in accordance with the percentage of the number of shares whose shareholder proportion that actively participates in the firm's decision. (Diyah & Erman, 2009).

Institutional ownership is company shares owned by institutions or such as insurance companies, pension funds or other companies (Tarjo, 2008). Institutional ownership is measured by the percentage of share ownership (Haruman, 2008). Given the concentration of ownership, large shareholders such as institutional investors will be able to monitor management teams more effectively and increase firm value (Haruman, 2008) and the concentration of ownership on the outside of the firm has a positive effect in the firms value.

CSR

The level of CSR disclosure in the firm's annual report stated in the Corporate Social Responsibility Index (CSRI) to be assessed by comparing the number of disclosures made by the firm to the number of disclosures required by GRI (Global Reporting Initiatives) covering themes: economic, social, environmental, work, human rights, community, and product responsibility as the basis of sustainability reporting. The measurement of CSR disclosure index is done by content analysis method which is a method of codifying text with the same characteristics written in various groups or categories based on specified performance (Weber, 1988 & Sembiring, 2005).

The moderating variable is a variable that can strengthen or weaken the relationship between dependent and independent variables (Ghozali, 2005). The moderation variable used in this research is real earnings management. Detection of real earnings management with abnormal cash flows from operating abnormal production costs and abnormal discretionary expenses, Roychowdhury model (2006).

abnormal cash flow from operating (CFO);

$$\mathrm{CFO}_t/A_{t-1} = \alpha_0 + \alpha_1(1/A_{t-1}) + \beta_1(S_t/A_{t-1}) + \beta_2(\Delta S_t/A_{t-1}) + e_t$$

***abnormal production costs*;**

$$\mathrm{PROD}_t/A_{t-1} = \alpha_0 + \alpha_1(1/A_{t-1}) + \beta_1(S_t/A_{t-1}) + \beta_2(\Delta S_t/A_{t-1}) + \beta_3(\Delta S_{t-1}/A_{t-1}) + e_t$$

abnormal discretionary expenses;

$$\mathrm{DISEXP}_t/A_{t-1} = \alpha_0 + \alpha_1(1/A_{t-1}) + \beta(S_{t-1}/A_{t-1}) + e_t$$

In this case;

CFOt = Operating cash flow in year t
PRODt = Production expense in year t
DISEXP t = Discretionary cost in year t
St = Sales in year t
At = Total assets at year end t
ΔSt-1 = St-1 – St

The population is taken from manufacturing firms that had published its annual financial statements in Indonesia Stock Exchange (IDX) during 2014-2016 periods; Sugiyono (2014) is part of the number and characteristics possessed by the population. The sample becomes the actual data source taken by using a particular technique called sampling technique and sampling technique is done by purposive sampling, criteria set as follows;

1. Manufacturing firms listed in the Indonesia Stock Exchange (BEI) and published audited report.
2. Statements consistently and published during 2014 to 2016 periods.
3. Manufacturing firms consistently during 2014-2016 periods, earn profits.
4. Firms issued financial statements which ended in December 31.

ANALYSIS AND DISCUSSION

Data Description

Table 1
Descriptive Statistics

Description	N	Minimum	Maximum	Mean	Std. Deviation
FIRM VALE	129	.00	3.83	1.2071	.77068
CSR	129	.26	.62	.4038	.06444
MO	129	.00	.49	.0452	.09770
IO	129	.00	.96	.7049	.20634
MRCFO	129	-.25	1.68	-.0176	.16712
MRDISX	129	-.57	.87	.0319	.19804
MRPROD	129	-.23	.73	-.0075	.10223
REM	129	-.73	2.55	.0068	.31175
Valid N (list wise)	129				

Source: Processed by SPSS

Based on table 4.4 above, it can be seen that the object under study (N) in the year 2014-2016 is as many as 129 companies. Descriptive statistical analysis shows the following results;

Firm value, statistic result shows minimum value equal to 0, 00 and maximum value equal to 3, 83. The average value of the firm's value is 1.2071. The standard deviation value of 0.77068 shows the variation contained in the firm value variable. The lower standard deviation value from the average indicates that the distribution of low data variables or the gaps are low enough from the firm's value data. These results also indicate that the results are quite good. This is because the standard deviation is a very high reflection deviation, so the spread of data shows normal results and does not cause bias.

CSR variable, statistical results show a minimum value of 0.26, a maximum value of 0.62 and average CSR value is 0.4038. The default deviation value is 0.06444 indicates variations contained in the CSR variable. The lower standard deviation value from the average indicates that the distribution of low data variable or the presence of a low enough gap from the CSR data. These results also indicate that the results are quite good, because the standard deviation is a very high reflection deviation, so the spread of data shows normal results and does not cause bias.

Managerial ownership variable, statistical results show a minimum value is 0, a maximum is 0.49 and average value is 0.0452. The standard deviation score is 0.09770 indicates variations in managerial ownership variables, its explains that the higher than average standard deviation values indicate high distribution of data variables or a high gap of managerial ownership data, these results also indicate that the results are not good. Because the standard deviation is a very high reflection deviation, so the dissemination of data shows abnormal results and cause bias.

Institutional ownership variables, statistical results show a minimum value is 0 and a maximum is 0.96 and average value is 0.7049. The standard deviation score is 0.20634 shows the variation in institutional ownership variables. The lower standard deviation value of the average indicates that the distribution of low data variables or the gap is quite low from the data of institutional ownership. These results also indicate that the results are quite good, because the standard deviation is a very high reflection deviation, so the spread of data shows normal results and does not cause bias.

CFO REM variable, statistical results show a minimum value is -0.25 and a maximum value is 1.68 and average value is -0.0176. The standard deviation score is 0.16712 shows the variation contained in the CFO REM variable, its explains that the standard deviation value higher than the average indicates a high variable data distribution or a sufficiently high gap of CFO REM data, these results also indicate that the results are not good. Because the standard deviation is a very high reflection deviation, so the dissemination of data shows abnormal results and cause bias.

DISEXP REM variable, statistical results show a minimum value is -0.57 and a maximum value is 0.87 and its mean DISEXP REM value is 0.0319. The standard deviation value is 0.19804 shows the variation contained in the DISEXP REM variable, explains that the standard deviation value higher than the average indicates a high variable data distribution or a high enough gap of DISEXP REM data, these results also indicate that the results are not good, because the standard deviation is a very high reflection deviation, so the dissemination of data shows abnormal results and cause bias.

REM PROD variable, statistical results show a minimum value is -0.23 and a maximum value is 0.73 and the average is -0.0075. The standard deviation value is 0.10223 shows the variation contained in, its explains that the standard deviation value higher than the average indicates a high variable data distribution or a high enough gap, these results also indicate that the results are not good, because the standard deviation is a very high reflection deviation, so the dissemination of data shows abnormal results and cause bias.

REM variable, statistical results show a minimum value is -0.73 and a maximum value is 2.55 and the average is 0.0068. The standard deviation value is 0.31175 shows the variation contained in, explains that the standard deviation value higher than the average indicates a high variable data distribution or a high enough gap. These results also indicate that the results are not good, because the standard deviation is a very high reflection deviation, so the dissemination of data shows abnormal results and cause bias.

HYPOTHESIS TESTING

Table 2

Simultaneous Test Results on Regression Analysis

Model	Sig. Value	Decision
Regression Model 1	0,000	Ho rejected
Regression Model 2	0,001	Ho rejected
Regression Model 3	0,000	Ho rejected
Regression Model 4	0,001	Ho rejected

Source: Processed by SPSS

From the result of F test above is known significance value <α 0,05, then H0 is rejected which means there is a mutual influence between all independent variables of CSR, managerial ownership and institutional ownership, with real earnings management as a moderating variable to firm value.

The coefficient of determination test is used to explain how much variation of the dependent variable can be explained by the variation of the independent variable and the test of the coefficient of determination is observed through the adjusted value of R2.

Table 3

Coefficient Determination Test Results

Regression Model	Adj R^2	Explanation
Regression Model 1	0,147	Express variation from dependent variable as of 14,7%
Regression Model 2	0,138	Express variation from dependent variable as of 13,8%
Regression Model 3	0,168	Express variation from dependent variable as of 16,8%
Regression Model 4	0,136	Express variation from dependent variable as of 13,6%

Source: Processed by SPSS

In the table above is known coefficient of determination seen from the value Adj.R2 regression model 1 is 0.147. That is 14.7% variation of the dependent variable firm value can be predicted from the combination of all independent variables.

Adj.R2 value of regression model 2 is 0.138; this means that 13.8% variation of the dependent variable of firm value can be predicted from the combination of all independent variables.

The value of Adj.R2 of regression model 3 is 0.168; this means that 16.8% variation of the dependent variable of firm value can be predicted from the combination of all independent variables.

The value of Adj.R2 of regression model 4 is 0.136 that is 13.6% variation of the dependent variable firm value can be predicted from the combination of all independent variables.

Regression Model 1;

Y = -0,840 + 0,278 CSR + 0,284 IO – 0,096 MO– 0,182 REM – 0,804 CSR*REM - 0,142 MO*REM – 0,480 IO*REM + e

Table 4
Test t (Partial Test) Regression Model 1

Variables	**β**	**Sig.**	**Conclusion**
Constant	-0.840	0.143	
CSR	0.278	0.002	Ha accepted
IO	0,284	0,006	Ha accepted
MO	-0,096	0,331	Ha rejected
REM	-0.182	0.869	Ha rejected
CSR*REM	0.804	0.249	Ha rejected
MO*REM	-0.142	0.294	Ha rejected
MO*REM	-0.480	0.468	Ha rejected

Source: Processed by SPSS

Based on the results of partial regression test (t-test) shown in Table known CSR variable has sig value 0.002 (0.002 / 2 = 0.001) 0.001 <0.05, it shows significant CSR variable at level 5%, so the decision is Ho rejected (Ha accepted) with regression coefficient value of 0.168.

It indicates that CSR has a significant positive effect on firm value. The institutional ownership variable has a sig value of 0.006 (0.006 / 2 = 0.003) 0.003 <0.05, this indicates a significant institutional ownership variable at the 5% level, so the decision is Ho rejected (Ha accepted) with a regression coefficient value of 0.284 and indicates that institutional ownership has a significant positive effect on firm value.

The managerial ownership variable has a sig value of 0.331 (0.331 / 2 = 0.166) 0.166> 0.05, this indicates that the managerial ownership variable is not significant at the 5% level, so the decision is Ho accepted (Ha rejected) with the regression coefficient value of -0.096.

This indicates that managerial ownership has no positive effect on firm value. The CSR variable moderated with real earnings management has a sig value of 0.249 (0.249 / 2 = 0.125) 0.125> 0.05 with regression coefficient value of 0.804, it shows that real earnings management does not weaken the influence of CSR on firm value and this result explains that managerial earnings management actions will not reduce the CSR activities of the firm to attract investors so as to increase the firm value.

Regression Model 2:

Y = -1,150 + 0,299 CSR + 0,347 IO – 0,060 MO– 1,690 MRCFO + 0,281 CSR*CFO + 0,112 MO*CFO + 1,281 IO*CFO + e

Table 5
Test t (Partial Test) Regression Model 2

Variables	**β**	**Sig.**	**Conclusion**
Constant	-1.150	0.086	
CSR	0.299	0.002	Ha accepted
IO	0,347	0,004	Ha accepted
MO	-0,060	0,566	Ha rejected
MRCFO	-1.690	0.348	Ha rejected
CSR*CFO	0.281	0.801	Ha rejected
MO*CFO	0.112	0.508	Ha rejected
IO*CFO	1.281	0.165	Ha rejected

Source; Processed by SPSS

Based on the result of partial regression test (t-test) shown in the table, it is known that the MRCFO variable that moderate CSR has a sig value of 0.801 (0.801 / 2 = 0.401) 0.401> 0.05, it shows the MRCFO variable that moderate the CSR is not significant at the level 5%, so the decision is Ha rejected (Ho accepted) with coefficient value of 0.281.

These results indicate that MRCFO does not weaken the relationship between CSR and firm value. Managerial variables moderated with MRCFO have a sig value of 0.508 (0.508 / 2 = 0.254) 0.254> 0.05 with regression coefficient value of 0.112, this indicates that real profit management as measured by CFO does not weaken the effect of managerial ownership on firm value.

The institutional ownership variable moderated with MRCFO has a sig value of 0.165 (0.165 / 2 = 0.083) 0.083> 0.05 with a regression coefficient value of 1.281, this indicates that real profit management as measured by CFO does not weaken the influence of institutional ownership on firm value.

Regression Model 3;

Y = -0,918 + 0,259 CSR + 0,332 IO – 0,039 MO + 0,079 MRDISX + 0,798 CSR*DSIX – 0,103 MO*DSIX – 0,765 IO*DSIX + e

Table 6
Test t (Partial Test) Regression Model 3

Variables	β	Sig.	Conclusion
Constant	-0.918	0.106	
CSR	0.259	0.003	Ha accepted
IO	0,332	0,002	Ha accepted
MO	-0,039	0,701	Ha rejected
MRDISX	0.079	0.927	Ha rejected
CSR*DISX	0.798	0.185	Ha rejected
MO*DISX	-0.103	0.314	Ha rejected
IO*DISX	-0.765	0.104	Ha rejected

Source; Processed by SPSS

Based on the result of partial regression test (t-test) shown in table, it is known that the MRDISX variable that moderate CSR has a sig value is 0.185 (0.185 / 2 = 0.093) 0.093> 0.05, this indicates CSR variable moderated with MRDISX not significant at level 5%, so the decision is Ho accepted (Ha rejected) with regression coefficient value of 0.798.

These results indicate that moderated CSR with MRDISX does not weaken the relationship of managerial ownership to firm value. Managerial ownership variables moderated by MRDISX have a sig value of 0.314 (0.314 / 2 = 0.157) 0.157> 0.05, this indicates that MRDISX does not weaken the relationship of managerial ownership to firm value.

The institutional ownership variable moderated with MRDISX has a sig value is 0.104 (0.104 / 2 = 0.052) 0.052> 0.05, this indicates that MRDISX does not undermine the effect of institutional ownership on firm value.

Regression Model 4;

Y = -0,766 + 0,289 CSR + 0,237 IO – 0,095 MO– 0,502 MRPROD + 0,432 CSR*PROD + 0,040 MO*PROD + 0,186 IO*PROD + e

Table7
Test t (Partial Test) Regression Model 4

Variables	β	Sig.	Conclusion
Constant	-0.766	0.207	
CSR	0.289	0.001	Ha accepted
IO	0,237	0,036	Ha accepted
MO	-0,095	0,390	Ha rejected
MRPROD	-0.502	0.630	Ha rejected
CSR*PROD	0.432	0.513	Ha rejected
MO*PROD	0.040	0.731	Ha rejected
IO*PROD	0.186	0.797	Ha rejected

Source; Processed by SPSS

Based on the result of partial regression test (t-test) shown in table, it is known that the MRPROD variable that is moderating CSR has sig value 0,513 (0,513 / 2 = 0,257) 0,257> 0, 05, this indicates CSR variable moderated with MRPROD is not significant at level 5%, so his decision is Ho accepted (Ha rejected), these results suggest that moderate CSR with MRPROD does not weaken the relationship of managerial ownership to firm value.

The managerial ownership variable moderated with MRPROD has a sig value of 0.731 (0.731 / 2 = 0.366) 0.366> 0.05, indicating that MPROD does not weaken the relationship of managerial ownership to firm value. The institutional ownership variable moderated with MRPROD has a sig value of 0.797 (0.797 / 2 = 0.399) 0.399> 0.05, indicating MRPROD does not undermine the influence of institutional ownership of firm value.

CONCLUSION

CSR has a significant positive effect on firm value, Nurlela & Islahuddin, (2008), explains that many benefits obtained by the firm with CSR implementation, products increasingly favored by consumers and companies attract investors, in the presence of good CSR practices, it is expected that the firm will be well valued by investors and also CSR will increase the firm value viewed from the stock price and earnings as a result of the investors who invest in the firm's shares.

Institutional ownership has a significant positive effect on firm value (Xu & Wang, et. al., Bjuggren et al, Tarjo, 2008), that positively affects firm value, firm performance, showing that is a powerful mechanism that can motivate managers to improve their performance that ultimately can increase the firm value.

The existence of institutional ownership will be able to monitor the management team effectively and can increase the firm value; the above study differs with Jennings (2002) which showed that institutional ownership does not succeed in increasing firm value, as institutional ownership lowers firm value.

Institutional investors are not the majority owners and not able to monitor the performance of managers properly and decreases public confidence in the firm, the result that stock market reacted negatively in the form of declining trading volume of stocks and stock prices, thereby lowering shareholder value.

Managerial ownership has no significant effect on firm value, the low shares owned by management resulted in the management do not feel owning the firm as not all of the benefits can be enjoyed by the management, and is motivated to maximize utility and thus, harming shareholders, the low share ownership by management makes the performance of management also tend to be low and not affecting the firm value.

The higher managerial ownership of a firm may not be able to increase the firm value, because it shows least influence by investors of the firm, causing the firm having difficulties to grow and increase the firm value and high managerial ownership allows for increased management of fraud.

Some manufacturing firms that perform real earnings management actions using discretionary costs and do not prove that signaling theory stating that through signaling motivation encourages management to perform real earnings management to improve current earnings and to provide shareholders benefits.

This study results *is not* in line with Roychowdhury (2006) stating that real management of earnings performed by management only improve short-term performance and potentially lower the firm value in the future and implicated can be demonstrated for the development of theory, managerial and policy is for the firm, considering the results, it is expected to reduce the firm's actions real earnings management, especially from the cost of discretionary and production, it can be weaken the relationship between CSR and corporate value.

RECOMMENDATION

This study has limitations that if resolved by further research, the limitations are; using sample of companies engaged in the manufacturing sectors, only uses managerial ownership and institutional ownership in producing corporate governance, the number of variables used is still very small, so this may affect the results and as for the multicollinearity problem as mentioned earlier. The problem has been tried to be overcome but it remains unavoidable due to regression modeling using moderating variables. It is hoped to find a way of mechanism to treat the multicollinearity problem to estimate the resulting coefficient is not biased. Due to time constraints owned by the author, therefore, it is expected that in subsequent studies the samples used are larger than those present. For investors, based on the study results, may help in analyzing the factors that can affect the firm value so that can take the right investment.

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