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The Influence of Green Accounting, Environmental Performance, And Share Ownership on Corporate Financial Performance with Corporate Social Responsibility as An Intervening Variable in Basic Industrial and Chemical Sector Companies Listed on the IDX, 2018 – 2022

Roro Endah Kumalasari[1], Nita Yura Roslina[2], Tia Novianti[3]
Sekolah Tinggi Ilmu Ekonomi Pasundan [1,2,3]
Email : rendahkumalasari@gmail.com[1], nita@stiepas.ac.id[2], tiaalvionita08@gmail.com[3]

Abstract

This study aimed to examine and evaluate the impact of Green Accounting, Financial Performance, and Stock Ownership on Corporate Financial Performance (CFP) in the primary and chemical industry sectors of companies listed on the Indonesia Stock Exchange (BEI) from 2018 to 2022. This research also aimed to investigate the role of Corporate Social Responsibility (CSR) as an intervening variable in this relationship. The sample for this study comprised 80 companies operating in the primary and chemical industrial sectors listed on the BEI. The utilization of purposive sampling methodology chose the sample, and the analysis of the data was conducted using Eviews 9 software and Sobel calculations. This study's findings suggest that no statistically significant relationship exists between Green Accounting, Environmental Performance, Stock Ownership, and Corporate Financial Performance. The variable of interest, Corporate Social Responsibility (CSR), exerts a notable influence on the financial performance of corporations. Green Accounting and Environmental Performance variables exhibit a notable influence on Corporate Social Responsibility. However, the variable of Stock Ownership does not demonstrate a substantial impact on Corporate Social Responsibility. In addition, it can be observed that the variables of Green Accounting, Environmental Performance, and Stock Ownership do not exert independent influence on Corporate Financial Performance when mediated by Corporate Social Responsibility.

Keywords : *Green Accounting, Environmental Performance, Share Ownership, Corporate Financial Performance, Corporate Social Responsibility*

INTRODUCTION

In the context of Industry 4.0, organizations face a broader set of expectations that encompass not only owners and management but also other stakeholders like consumers, employees, the community, and the environment. This perspective is grounded in the notion that companies establish affiliations with various stakeholders, encompassing environmental concerns. There needs to be more initiatives to effectively address the waste generated from the production processes of the packaging and plastic sector, which has the potential to cause significant environmental disruption. Hence, it is imperative to implement additional waste management strategies endorsed by all stakeholders, including plastic packaging manufacturers, who can contribute through various initiatives, such as environmental accounting (Rahmawati, 2012).

The escalating apprehension surrounding environmental matters has been a prominent focus for governmental bodies, consumers, and investors alike. Foreign investors express apprehension regarding the acquisition of raw materials and execution of industrial procedures that are devoid of environmental concerns, including but not limited to soil degradation, ecosystem harm, air pollution, and noise pollution. Governments are increasingly contemplating integrating macroeconomic policies about environmental management and natural conservation. According to Habib (2022), the environmental impact of enterprises may be attributed to both their production processes and the resulting products.

Corporate Social Responsibility (CSR) refers to companies' obligation towards their shareholders and employees, which manifests through the pursuit of profitability and advancement within the organization. Additionally, companies are expected to fulfill external responsibilities such as contributing as taxpayers and providers of employment. Furthermore, CSR entails enhancing the well-being and capabilities of communities and safeguarding the environment for the benefit of future generations (Saira, 2022). Hence, firms derive advantages not just for their operations but also for many stakeholders involved. Companies disclose Corporate Social Responsibility (CSR) initiatives to cultivate a favorable public perception and elicit a positive market reaction. This statement is consistent with the principles of legitimacy theory, which posits that a company's positive financial performance contributes to its perceived legitimacy among the general public. According to Yuniarti (2017), proficient execution of a firm's corporate social responsibility (CSR) disclosure can also foster investor inclination to allocate their investments in the organization.

One prevailing global phenomenon involves integrating corporate social responsibility (CSR) with capital market endeavors. One illustration of this is the presence of the Dow Jones Sustainability Index (DJSI) within the New York Stock Exchange, which serves to categorize firms based on their corporate sustainability value. One of the criteria utilized in this index is the extent to which corporations have implemented corporate social responsibility (CSR) initiatives. Stock exchange authorities in Asia, such as the Hang Seng Stock Exchange and the Singapore Stock Exchange, have implemented similar initiatives. Companies aim to demonstrate their corporate accountability, responsibility, and transparency to investors and other stakeholders by revealing their environmental, social, and financial performance in annual or separate reports (Habib, 2021).

Table 1 Results of Basic Industry and Chemical CSR Sector

COMPANY	YEAR	CSR
CHAROEN	2018	61
	2019	61
	2020	38
	2021	38
	2022	38
INDAL	2018	47
	2019	47
	2020	47
	2021	47
	2011	47
INDOCEMENT	2018	79
	2019	79
	2020	79
	2021	79

	2022	79
KRAKATAU	2018	71
	2019	71
	2020	71
	2021	71
	2022	71
LOTTE	2018	65
	2019	65
	2020	65
	2021	65
	2022	65
PABRIK KERTAS TJIWI	2018	48
	2019	48
	2020	48
	2021	48
	2022	48
PELAT TIMAH	2018	56
	2019	56
	2020	56
	2021	56
	2022	56
TOBA	2018	61
	2019	61
	2020	61
	2021	61
	2022	61

According to the data shown in Table 1, it is evident that there needs to be complete disclosure of CSR indicators by each organization. Indocement is the sole entity that has comprehensively disclosed all corporate social responsibility (CSR) metrics, encompassing financial, social, labor, environmental, human rights, and product indicators.

The positive financial performance of a firm has the potential to attract investors willing to allocate their resources, thus leading to an augmentation in the company's overall value. This study focuses on the primary and chemical industrial sector, which is one of the three critical sectors in Indonesia's manufacturing sector. The financial performance of enterprises operating within the primary and chemical industrial sectors has exhibited fluctuations and inconsistencies during the period spanning from 2016 to 2018. This timeframe witnessed the emergence of multiple companies that experienced noteworthy concerns regarding their financial performance. As an illustration, PT Ashahimas Flat Glass, operating within the ceramics, porcelain, and glass subsector, encountered a negative growth rate of -23.10%. Subsequently, this figure further declined to -85.19% before rebounding to 82.89% in 2018. In 2020, a decline of 43.53% was observed in the performance of seven enterprises belonging to four distinct subsectors: cement, animal feed, pulp and paper, and ceramics (Yuniarti, 2017).

Green accounting refers to incorporating accounting procedures encompassing the identification, documentation, assessment, consolidation, and communication of financial, social, and environmental data within a unified accounting statement. This statement serves the dual purpose of facilitating economic and non-economic decision-making for individuals or groups with a vested interest in the matter. Green accounting practices have been found to influence a company's financial performance favorably. This is mainly attributed to the company's ability to cultivate a favorable public perception, resulting in heightened sales and profitability. One key aspect of a company's financial performance is its ability to influence the decision of investors to retain their investments. According to Rahmawati (2018),

A firm's environmental performance refers to its ability to effectively and responsibly manage and mitigate the impacts it has on the surrounding environment. The performance evaluation utilizes the PROPER (Program for Pollution Control, Evaluation, and Rating) framework established by the Ministry of Environment. The legitimacy theory posits a connection between a company's environmental performance and its financial performance, asserting that a lack of alignment between the company's values and societal values (referred to as a "legitimacy gap") can result in the loss of legitimacy for the company, thereby jeopardizing its continued existence (Dewi, 2020).

Among the enterprises operating in the primary and chemical industry sector, it is noteworthy that only PT Solusi Bangun Indonesia, Tbk. has achieved a gold grade in the Program for Pollution Control, Evaluation, and Grade (PROPER). PT Indocement Tunggal Prakasa and PT Semen Indonesia have been awarded a favorable environmental grade. PT Semen Baturaja and Waskita Beton Precast have been classified under blue. No primary and chemical industrial enterprises were classified under the black category. Nevertheless, several enterprises have yet to undergo a comprehensive evaluation, including Holcim Indonesia, Wijaya Karya Beton, Singaraja Putra, and SLJ Global. The reason for this outcome is attributed to the companies' failure to satisfy the requisite criteria, encompassing both compliance assessment and beyond compliance assessment criteria.

In corporate ownership, institutional ownership pertains to financial institutions' possession of a company's shares. Institutional investors typically hold big ownership stakes due to their considerable financial resources. A positive correlation exists between the extent of institutional ownership and the efficiency of a company's asset usage. Furthermore, it is anticipated that institutional ownership serves as a deterrent against management's adoption of inefficient practices.

The study conducted by Habib (2020) revealed that there exists a negative relationship between financial performance and both environmental performance and environmental costs, mediated by corporate social responsibility (CSR). Rahmawati (2012) posits that the findings of the tests demonstrate that environmental performance has an indirect impact on carbon footprint (CFP) through the avenue of corporate social responsibility (CSR) disclosure. In the study conducted by Suaidah (2018), it was observed that there exists a relationship between environmental accounting disclosure, stock ownership, and firm value through financial performance. The impact of environmental accounting disclosure and stock ownership on firm value can be influenced by financial performance. Mustofa (2020) asserts that there is a considerable relationship between Green Accounting and Financial Performance and their impact on Corporate Social Responsibility (CSR).

Drawing upon existing explanations and multiple research findings, the author undertook a study examining the relationship between financial performance and corporate social responsibility (CSR), including environmental performance variables and modifying the financial performance variable to Corporate Financial Performance. This investigation specifically focused on the primary and chemical industry sectors. This decision was made due to the absence of recent research updates in the primary and chemical industry sectors. A more comprehensive analysis can be undertaken by incorporating environmental performance and carbon footprint (CFP) characteristics.

METHOD

The approach utilized in this investigation is quantitative analysis. Quantitative analysis entails the process of quantifying research data in order to obtain the requisite information for analysis. The data analysis was conducted with the Eviews 9 program.

The research incorporates many data analysis approaches, such as basic linear regression, route analysis, and the Sobel test. A simple linear regression analysis was performed using Eviews 9 software to investigate the impact of a single independent variable on a dependent variable. This analysis aimed to test hypotheses one through four. In contrast, path analysis was employed to ascertain the patterns of association among three or more variables without the ability to establish or disprove hypothetical causal links. Consequently, the Sobel test assessed significant mediation effects, notably about hypotheses five, six, and seven.

The Eviews 9 software offers three distinct estimating methods: Common Effect, Fixed Effect, and Random Effect. The fixed effect approach is associated with the ordinary least squares (OLS) method, whereas the random effect approach is associated with the generalized least squares (GLS) method. In order to ascertain the most suitable estimating approach, the researchers conducted both the Chow test and the Hausman test. If the estimate method yields both random effect and fixed effect outcomes, there is no need to do standard assumption tests. Nevertheless, when the estimating approach solely relies on the Generalized Least Square (GLS) technique, it is still necessary to do classic assumption checks when employing the Ordinary Least Square (OLS) method.

Before doing the multiple linear regression analysis, the researcher performed tests to determine the appropriate estimation and model selection methods. Assumption tests for the data panel were conducted utilizing Eviews 9 software. Eviews 9 is commonly employed for panel data testing due to its ability to analyze datasets that offer a more excellent range of information, mitigate the issue of multicollinearity, and yield higher degrees of freedom (df), enhancing the efficiency of estimate outcomes.

RESULTS AND DISCUSSION

OUTER MODEL TESTING

Chow test

Table 1. Classic assumption test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	20.348305	(7,27)	0.0000
Cross-section Chi-square	**69.792739**	**7**	**0.0000**

Based on the results above showing Prob 0.000 or <0.05, the Hausman Test is needed.

Uji Hausman

Table 2. Hausman test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	**20.244764**	**3**	**0.0002**

Based on Table 2, it shows Prob 0.0002 or <0.05, then the model accepted is Fixed Effect. Because the results obtained are Fixed Effect, we do not need to carry out the Classical Assumption test and directly carry out the Range Multiplier test.

LM Test

Table 3. LM Test

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

	Test Hypothesis Cross-section	Time	Both
Breusch-Pagan	**18.51515 (0.0000)**	**0.027791 (0.8676)**	**18.54294 (0.0000)**
Honda	4.302923 (0.0000)	-0.166706 --	2.924747 (0.0017)
King-Wu	4.302923 (0.0000)	-0.166706 --	2.473494 (0.0067)
Standardized Honda	5.408404 (0.0000)	0.135232 (0.4462)	0.871021 (0.1919)
Standardized King-Wu	5.408404 (0.0000)	0.135232 (0.4462)	0.386796 (0.3495)
Gourierioux, et al.*	--	--	18.51515 (< 0.01)

Based on the test results above, it can be concluded that this research uses the Fixed Effect test to test the hypothesis. In this research, there is an Intervening model, so the researcher divides it into 2 Structural; the first Structural is the influence of variables X1,

Structural 1

t test

Table 4. T test

Dependent Variable: Z
Method: Panel Least Squares
Date: 09/07/23 Time: 08:13
Sample: 2018 2022
Periods included: 5
Cross-sections included: 8
Total panel (unbalanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	55.85747503.65240.1109050.9125
	-
X1	**0.0188960.0517400.3652140.0178**
	-
X2	**0.2305313.6610180.0629690.0503**
X3	**0.17930219.382020.0092510.9927**

Based on the findings shown in Table 5, it is apparent that the Green Accounting variable exhibits a coefficient value of 0.01 and a probability value of 0.01, which is lower than the predetermined significance level of 0.05. Consequently, the hypothesis under consideration is accepted. The evidence suggests that Green Accounting positively impacts Corporate Social Responsibility. The dissemination of information about environmental and social management strategies is vital for corporations to uphold a favorable reputation within the local community. One aspect of corporate responsibility towards the environment entails openly communicating social and environmental initiatives. The study's findings indicate that organizations that include environmental expenses in their Annual or Sustainability Reports demonstrate higher Corporate Social Responsibility (CSR) disclosures. This assertion is consistent with the findings of Faisal (2022), who posited that the use of Environmental Accounting practices favorably impacts Corporate Social Responsibility (CSR) disclosure.

The coefficient value of the Environmental Performance variable is 0.23, with a probability of 0.05 ($p = 0.05$), indicating that the hypothesis is accepted. The evidence suggests a positive correlation between Environmental Performance and Corporate Social Responsibility. The evaluation of PROPER about environmental conservation initiatives, energy conservation practices, and community development efforts includes Environmental Performance as one of the KPIs specified within the Corporate Social Responsibility (CSR) framework. Hence, a positive correlation can be observed between a company's Environmental Performance and its Corporate Social Responsibility (CSR) strength. This is consistent with the findings of the study conducted by Farhan (2022).

The coefficient value of the Stock Ownership variable is 0.17, and the associated probability is 0.99, more significant than the significance level of 0.05. Therefore, we reject the null hypothesis. This implies no discernible influence of stock ownership on corporate social responsibility. Companies produce Annual Reports to provide investors and shareholders with an evaluation of the company's financial performance throughout a given year. These reports serve as a means to gauge the company's short-term and long-term performance. In order to increase the level of public ownership in a company, the company must provide comprehensive disclosure of its social activities and environmental issues within its Annual Report. In this manner, the community's collective efforts can benefit several facets of the organization, encompassing its operational activities and sales performance. Nevertheless, it is noteworthy that numerous corporations have yet to fully reveal their comprehensive corporate social responsibility (CSR) initiatives and the corresponding financial implications associated with supporting such endeavors. The findings of this study are consistent with the assertion made by Ika (2021) that there is no significant impact of stock ownership on corporate social responsibility (CSR) disclosure.

F test

Table 6 Test F

R-squared	0.920546
Adjusted R-squared	0.886930
S.E. of regression	0.363472
Sum squared resid	3.434903
Log likelihood	-8.251315
F-statistic	27.38473
Prob(F-statistic)	**0.000000**

Based on Table 6, it is known that the Prob value is 0.00 or <0.05, so the Green Accounting, Environmental Performance and Share Ownership variables have a significant effect on Corporate Social Responsibility.

R Square test

Table 7 R Squared Test

R-squared	0.920546
Adjusted R-squared	**0.886930**
S.E. of regression	0.363472
Sum squared resid	3.434903
Log likelihood	-8.251315
F-statistic	27.38473
Prob(F-statistic)	0.000000

According to the data presented in Table 7, the research results suggest that the Adjusted R Square value is 0.88. This indicates that the variables of Green Accounting, Environmental Performance, and Stock Ownership combined significantly influence Corporate Social Responsibility, accounting for 88% of the variance. The remaining 12% is ascribed to further unexplored variables within the scope of this investigation.

Structural 2

t test

Table 8 Structural t test 2

Dependent Variable: Y
Method: Panel Least Squares
Date: 09/07/23 Time: 08:19
Sample: 2018 2022
Periods included: 5
Cross-sections included: 8
Total panel (unbalanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.588285	37.85593	-0.121204	0.9045
X1	-0.000207	0.003898	-0.053222	0.9580
X2	-0.278928	0.275130	-1.013806	0.3200
X3	0.161248	1.456478	0.110711	0.9127
Z	0.050018	0.014462	3.458665	0.0019

The analysis of Table 8 reveals that the Green Accounting variable exhibits a coefficient value of -0.00 and a probability of 0.09, which exceeds the significance level of 0.05. Consequently, the hypothesis is deemed to be rejected. Based on the available evidence, Green Accounting does not exert a discernible influence on Corporate Financial Performance. This is consistent with the study's findings conducted by Aida (2019). The present study highlights the absence of environmental expenses in financial reports and the omission of their inclusion in corporations' profit and loss statements, creating the possibility of inflated environmental spending.

The coefficient value of the Environmental Performance variable is -0.27, and the associated probability of 0.95 is less than the significance level of 0.05. Therefore, the hypothesis is rejected. Based on the available evidence, it can be inferred that Environmental Performance has no significant impact on Corporate Financial Performance. Out of the 40 data points examined by the researcher, it was found that, on average, companies obtained a Blue grade, which signifies a satisfactory level of waste management and environmental conservation practices in the vicinity of the company. Nevertheless, achieving a "Satisfactory" grade in PROPER does not inherently result in enhanced environmental management. The issue of waste disposal into rivers persists, with a significant volume of waste still being deposited. Mitigating plastic waste and identifying practical solutions still needs to be solved. In order to attain Gold, Green, or Blue ratings, organizations must allocate resources toward environmental management, thereby contributing to the overall operating load of the company. Hence, the impact of environmental performance on the financial performance of firms remains to be determined. This aligns with the study undertaken by Pujiasih (2013).

The coefficient value of the Stock Ownership variable is 0.16, and its associated probability is 0.91, which is more than the significance level of 0.05. Consequently, we reject the null hypothesis, suggesting that there is insufficient evidence to support the claim that Stock Ownership has an impact on Corporate Financial Performance. The study's findings reveal that the proportion of public stock ownership is typically below 5%, suggesting that many individuals from the general public have refrained from investing in the company's stocks. Consequently, most stock ownership remains concentrated among individuals with a vested interest in the organization, namely stakeholders within the corporation. This finding is consistent with the research conducted by Arifulsyah (2016).

The coefficient value of the intervening variable, Corporate Social Responsibility (CSR), is 0.50 with a probability of 0.009, which is less than the significance level of 0.05. Therefore, the hypothesis is accepted, suggesting that CSR significantly impacts Corporate Financial Performance. The growing trend of firms including corporate social responsibility (CSR) information in their financial reports has been apparent. This practice has resulted in enhanced market response and increased credibility for these organizations. Consequently, the disclosure of PT Indocement's comprehensive corporate social responsibility (CSR) initiatives has been observed to favorably impact market dynamics, ultimately contributing to enhanced sales and revenue for the company. The present research is underpinned by the investigation carried out by Ika (2021).

F test

Table 9 Test F

R-squared	0.850576
Adjusted R-squared	0.806840
S.E. of regression	0.268512
Sum squared resid	2.454302
Log likelihood	-8.942315
F-statistic	27.17443
Prob(F-statistic)	**0.000000**

Based on Table 9, it is known that the Prob value is 0.00 or <0.05, the Green Accounting Variables, Environmental Performance and

Share Ownership have a significant effect on Corporate Financial Performance.

R Square test

Table 10 R Squared test

R-squared	0.850576
Adjusted R-squared	**0.806840**
S.E. of regression	0.268512
Sum squared resid	2.454302
Log likelihood	-8.942315
F-statistic	27.17443
Prob(F-statistic)	0.000000

Based on Table 10, the study results show that the Adjusted R Square is 0.80, which means that Green Accounting, Environmental Performance, and Share Ownership affect Corporate Financial Performance by 80%; the remaining 20% are other factors not examined in this study

Sobel Test

$$\frac{ab}{\sqrt{(b^2SEa^2)+(a^2SEb^2)}}$$

Dependent Variable: Z
Method: Panel Least Squares
Date: 09/07/23 Time: 08:13
Sample: 2018 2022
Periods included: 5
Cross-sections included: 8
Total panel (unbalanced) observations: 38

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	55.85747	503.6524	0.110905	0.9125
X1	0.018896	0.051740	-0.365214	0.0178
X2	0.230531	3.661018	-0.062969	0.0503
X3	0.179302	19.38202	0.009251	0.9927

Dependent Variable: Y
Method: Panel Least Squares
Date: 09/07/23 Time: 08:19
Sample: 2018 2022
Periods included: 5
Cross-sections included: 8
Total panel (unbalanced) observations: 38

Variable	Coefficient	Std. Error	t-Statistic
C	-4.588285	37.85593	-0.121204
X1	-0.000207	0.003898	-0.053222
X2	-0.278928	0.275130	-1.013806
X3	0.161248	1.456478	0.110711
Z	0.050018	0.014462	3.458665

1. **X1 AGAINST Y THROUGH Z**

$$\frac{0.02\ x\ 0.05}{\sqrt{(0.05^2\ x\ 0.05^2)+\ (\ 0.02^2 0.01^{2)}}}$$

$$\frac{0.001}{\sqrt{(0.0025\ x\ 0.0025)+\ (0.0004\ x\ 0.0001)}}$$

$$\frac{0.001}{\sqrt{0.00000625+0.0000004}}$$

0.33

Based on the Sobel Test calculation above, it is known that the result is t = 0.33. From these results, it is known that t table 2.02 is more excellent than t count 0.33, so the CSR variable cannot mediate the effect of Green Accounting on Corporate Financial Performance

2. **X2 AGAINST Y THROUGH Z**

$$\frac{0.23\ x\ 0.05}{\sqrt{(0.05^2\ x\ 3.66^2)+\ (0.23^2\ x 0.01^{2)}}}$$

$$\frac{0.0115}{\sqrt{0.0025\ x\ 13.9)+\ (0.0529\ x\ 0.0001)}}$$

$$\frac{0.0115}{\sqrt{0.03475+\ 0.00000529}}$$

0.06

Based on the calculation of the Sobel Test above, it is known that the result is t = 0.06. From these results, it is known that t table 2.02 is more excellent than t count 0.06. Hence, the CSR variable cannot mediate the effect of environmental performance on corporate financial performance.

3. X3 AGAINST Y THROUGH Z

$$\frac{0.17\ x\ 0.05}{\sqrt{(0.05^2\ x\ 19.3^2) + (0.17^2\ x\ 0.01^{2)}}}$$

$$\frac{0.0085}{\sqrt{(0.0025\ x\ 372.5) + (0.03\ x\ 0.0001)}}$$

$$\frac{0.0085}{\sqrt{(0.093 + 0.000003}}$$

0.02

Based on the Sobel Test calculation above, it is known that the result is t = 0.02. From these results, it is known that t table 2.02 is more excellent than t count 0.02, so the CSR variable cannot mediate the effect of share ownership on corporate financial performance.

DISCUSSION

GREEN ACCOUNTING INFLUENCES CFP

The Green Accounting variable has a coefficient value of -0.00 and a probability of 0.09 > 0.05, so the hypothesis is rejected; it can be concluded that Green Accounting does not affect Corporate Financial Performance. This is in line with research conducted by Aida (2019). In this study, environmental costs still needed to be visible in the financial statements, and the company had not included them in the profit and loss report, thus allowing for an increase in environmental costs.

ENVIRONMENTAL PERFORMANCE AFFECTS CFP

The coefficient value of the Environmental Performance variable is -0.27, and the associated probability of 0.95 is less than the significance level of 0.05. Consequently, the hypothesis is rejected. Based on the available evidence, there is no significant relationship between Environmental Performance and Corporate Financial Performance. Among the 40 data points examined by the researcher, it was found that companies, on average, obtained a Blue grade, which signifies a reasonable level of competence in waste management and environmental preservation. Nevertheless, it should be noted that attaining a "Satisfactory" grade in the PROPER system does not inherently guarantee enhanced environmental management practices. A considerable quantity of rubbish being deposited into rivers is apparent, and identifying a resolution to diminish plastic waste continues to represent a difficulty. In order to achieve gold, green, or blue ratings, corporations must invest a specific portion of their expenditures toward environmental management. These expenses might contribute to the operational overhead of the organization. Hence, the impact of environmental performance on the financial performance of firms remains to be observed. This is consistent with the findings of the study conducted by Pujiasih (2013).

SHARE OWNERSHIP VARIABLES INFLUENCE ON CFP

The share ownership variable has a coefficient value of 0.16 and a prob of 0.91 > 0.05, so the hypothesis is rejected so that share ownership does not affect corporate financial performance. In this research, public ownership of shares is, on average, less than 5%, so many people still need to buy the company's shares. So, share ownership is still dominated by stakeholders in the company. This is in line with research conducted by Arifulsyah (2016)

CSR VARIABLES INFLUENCE ON CFP

The coefficient value of the intervening variable, Corporate Social Responsibility, is 0.50, with a probability of 0.009, which is less than the significance level of 0.05. Consequently, the hypothesis is deemed valid, signifying that Corporate Social Responsibility (CSR) substantially impacts Corporate Financial Performance. This phenomenon is apparent in the growing prevalence of corporations that include corporate social responsibility (CSR) information in their financial reports. As corporations engage in such practices, they often observe a more favorable reception from the market and an augmented level of credibility. As a result, this can result in a rise in sales, similar to the situation observed with PT Indocement, which publicly revealed its extensive corporate social responsibility (CSR) endeavors. Consequently, the corporation saw a favorable market reaction, resulting in advantageous outcomes such as heightened sales and revenue. The present research is underpinned by the investigation completed by Ika (2021).

GREEN ACCOUNTING INFLUENCE ON CSR

The variable of Green Accounting exhibits a coefficient value of 0.01, with a probability of 0.01, which is less than the significance level of 0.05. Consequently, the hypothesis is deemed to be accepted. The evidence suggests that Green Accounting positively impacts Corporate Social Responsibility. Disseminating information about policies in environmental and social management is vital for organizations to uphold a positive reputation within the community. One manifestation of corporate responsibility towards the environment involves revealing social and environmental initiatives. The empirical findings indicate that organizations that include environmental expenses inside their Annual Reports or Sustainability Reports exhibit enhanced corporate social responsibility (CSR) disclosures. This finding is consistent with the study conducted by Faisal (2022), which asserts a favorable relationship between Environmental Accounting and Corporate Social Responsibility (CSR) disclosure.

ENVIRONMENTAL PERFORMANCE VARIABLES AFFECT CSR

The coefficient value of the Environmental Performance variable is 0.23, with a probability of 0.05. Therefore, the hypothesis is accepted. The evidence suggests a positive correlation between Environmental Performance and Corporate Social Responsibility. When assessing the efficacy of PROPER in environmental conservation initiatives, energy conservation, and community development, Environmental Performance is identified as one of the metrics included in Corporate Social Responsibility (CSR) evaluations. Hence, a positive correlation between a company's Environmental Performance and its Corporate Social

Responsibility (CSR) can be shown. This aligns with the study conducted by Farhan (2022).

STOCK OWNERSHIP VARIABLES AFFECT CSR

The coefficient value of the Stock Ownership variable is 0.17, and its probability is 0.99, more significant than the significance level of 0.05. Therefore, we reject the null hypothesis, suggesting that Stock Ownership has no significant influence on Corporate Social Responsibility. Companies produce annual reports to provide investors and shareholders with an evaluation of the company's financial performance throughout a given year. These reports serve as a means to gauge the company's short-term and long-term performance. In order to enhance public stock ownership, corporations must provide comprehensive disclosure of their social initiatives and environmental considerations within their Annual Reports. In this manner, the collective can exert a favorable influence on the entirety of the organization's endeavors and financial performance. Nevertheless, it is noteworthy that numerous corporations have yet to divulge comprehensive information regarding their corporate social responsibility (CSR) endeavors and the corresponding financial implications. This study is consistent with the findings of Ika (2021), which posits that there is no significant impact of stock ownership on corporate social responsibility (CSR) disclosure.

GREEN ACCOUNTING INFLUENCES CFP THROUGH CSR

The Sobel Test was conducted, with a calculated result of t = 0.33. Based on the obtained outcome, it can be inferred that the crucial t-value of 2.02 surpasses the calculated t-value of 0.33. Hence, the variable of Corporate Social Responsibility (CSR) does not possess the ability to act as a mediator in the impact of Green Accounting on the financial performance of corporations.

Companies that choose to reveal the many types of environmental costs, such as preventative costs, social costs, and waste management costs, demonstrate a tendency to prioritize environmental efforts in response to the pollution generated by their manufacturing processes. If the company cannot effectively manage expenses and incorporate them into the operational costs reported in the financial statements, these activities may pose a significant burden.

Furthermore, apart from serving as indicators of expenditure activities, these environmental costs also serve as evidence of the company's dedication to the local environment in light of pollution resulting from its industrial processes. The company shall demonstrate its commitment to assuming accountability for any damages resulting from the production process.

ENVIRONMENTAL PERFORMANCE INFLUENCES CFP THROUGH CSR

Based on the computation of the Sobel Test presented above, it has been determined that the resulting value is t = 0.06. Based on the obtained outcome, it can be observed that the crucial t-value of 2.02 exceeds the calculated t-value of 0.06. Hence, it can be inferred that the variable of Corporate Social Responsibility (CSR) does not possess the capacity to act as a mediator in the impact of Environmental Performance on Corporate Financial Performance.

The environmental performance of a corporation serves as a metric for evaluating the level of information presented in its sustainability report. Hence, when a corporation demonstrates commendable environmental performance, its commitment to social and environmental dimensions is likewise commendable. This can potentially improve the company's reputation, fostering a sense of confidence and reliance within the community. The establishment of trust has the potential to result in a rise in product acquisitions, thereby augmenting the company's financial gains.

STOCK OWNERSHIP INFLUENCES CFP THROUGH CSR

Based on the computation of the Sobel Test presented above, the obtained outcome is t = 0.02. Based on the obtained outcome, it can be inferred that the crucial t-value of 2.02 surpasses the calculated t-value of 0.02. Hence, it can be inferred that the variable of Corporate Social Responsibility (CSR) does not possess the ability to act as a mediator in the impact of Share Ownership on Corporate Financial Performance.

According to Ika (2021), a significant public share ownership in a corporation does not inevitably influence the company's corporate social responsibility (CSR) disclosure. This is because public share ownership comprises numerous shareholders who may exert little influence on the company's policy-making processes.

This assertion contradicts the stakeholder theory, which posits that organizations tend to disclose their corporate social responsibility (CSR) activities more comprehensively when their shares are publicly traded. Hence, it is not necessarily the case that a high level of public share ownership will impact a company's decision to disclose its corporate social responsibility (CSR) practices.

CONCLUSION

Based on the findings derived from secondary data analysis, Green Accounting, Environmental Performance, and Share Ownership have no substantial influence on Corporate Financial Performance. However, it is essential to note that Corporate Social Responsibility (CSR) is an intervening variable that substantially impacts Corporate Financial Performance (CFP). Both Green Accounting and Environmental Performance substantially influence Corporate Social Responsibility (CSR). However, Share Ownership has little impact on CSR. In addition, it can be observed that the variables of Green Accounting, Environmental Performance, and Share Ownership do not exert independent influences on Corporate Financial Performance in the context of Corporate Social Responsibility. In order to enhance future research endeavors, it is advisable to augment the sample size and do investigations throughout various industries or encompass all manufacturing organizations enlisted inside the PROPER program.

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