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OUTER MODEL ASSET STRUCTURE'S, CAPITAL STRUCTURE'S, PROFIT MANAGEMENT, CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE, AND FINANCIAL HEALTH ON CORPORATE VALUE WITH GOOD CORPORATE GOVERNANCE AS MODERATION

NANOK FITRIYADI S [1], SLAMET RIYADI [2] and HWIHANUS [3]

[1,2,3] Fakultas Ekonomi Dan Bisnis, Universitas 17 Agustus 1945 Surabaya.
Email: [1]1272100005@surel.untag-sby.ac.id, [2]slametriyadi10@untag-sby.ac.id, [3]hwihanus@untag-sby.ac.id

Abstract

The purpose of this study is to decide the outer model of asset structure and capital structure, earning management, corporate social responsibility disclosure (CSRD) and financial health on corporate value with good corporate governance (GCG) as moderation. The population in this study is Mining Sector Companies. The number of mining companies listed on the Indonesia Stock Exchange is 48 companies. The sampling method in this study uses the type of Nonprobability sampling with Purposive sampling techniques so that 10 qualified Company samples are obtained. This research uses secondary data or information processed using statistical methods and PLS software. The data analysis method used is Partial Least Square (PLS). Based on the results of the study, it was found the research model that has a loading factor below 0.5 will be eliminated because it does not describe the variable. Indicators that must be eliminated are Fix Asset Ratio, Total Asset Ratio, KL, KS, Accountability, responsibility, fairness, earning per share, and price earning ratio. Based on the results of the construct reliability and validity test on the option average variance extracted (AVE), all variables have values greater than 0.5, meaning that the variables used in this study are declared valid in measuring latent variables. Based on the results of the factor loading test, it was found that the factor loading value was greater than the crossloading value so that it can be said that the indicators in the assessment of the variables used in this study are valid.

Keywords: Asset Structure, Capital Structure, Corporate Social Responsibility Disclosure, Financial Health, Good Corporate Governance.

INTRODUCTION

Globalization changes the paradigm of stakeholders, where their important concern is the value of the company. In the era of globalization, the view of corporate value has undergone some significant changes. Globalization has brought rapid and significant changes in the way companies run and how they are valued by stakeholders. The value of the company that is of concern is not only the price of the company, for example stocks, which is a visible number (*tangible*) but also an invisible number (*intangible*) This value must be built by management through *a sustainable strategy (sustainable strategy*).

The value of the company in question can be in the form of intrinsic value, which is inherent value and can also be in the form of market value formed due to the interaction of market participants. Sustainable strategies involve approaches that include social and environmental responsibility, innovation, product and service quality, and good relationships with stakeholders. In this context, management must consider the long-term social, environmental, and economic impacts of the company's activities.

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Sustainable business practices can improve the company's reputation, stakeholder trust, and create added value overall, in addition to the intrinsic value inherent in the company, market value is also a concern. The market value of the company is reflected in the share price and valuation provided by the market. The interaction between buyers and sellers of shares in the market reflects their feelings and assessment of the value of the company.

Building corporate value, management must strike a balance between perfecting intrinsic value through sustainable strategies and paying attention to market value reflected in the share price. By integrating tangible and intangible aspects, companies can achieve a strong position in the market and build sustainable value overall.

The value of a company is influenced by several factors, including fundamental and technical factors. Fundamentals are factors or analysis related to a company's finances, including growth potential, profitability, capital structure, ownership structure, and company size. These fundamental factors supply a deep understanding of a company's financial health, business performance, and future growth potential.

However, it is also important to note that a company's valuation is not limited to fundamental factors only, but also involves consideration of intangible factors such as reputation, brand, management, and sustainable strategy that we discussed earlier. Technical factors are factors or analysis used to predict stock price trends by studying past market data, specifically price movements, trading volume, and frequency (Lestari, 2018).

Asset structure can also affect earning management practices, i.e., practices undertaken by companies to manage their profits in an unethical or dubious way, if the company has a stable and balanced asset structure, then the company may have less room to do earning management.

Conversely, if a company has an unstable or unbalanced asset structure, the company may be more inclined to engage in earnings management to try to keep their financial balance. Companies that have a balanced and stable asset structure, have less room to do earning management because they have a healthy balance in their asset portfolio, therefore, it is important for companies to consider their asset structure and ensure that they have the right balance between short-term and long-term assets to reduce the risk of earning management.

The capital structure or composition of a company's funding sources can affect *earning management* practices, namely the company's actions to manipulate financial statements to make them look better than they should.

Profit management is the manager's action to increase (decrease) the current reported profit of a unit for which the manager is responsible, without resulting in an increase (decrease) in the long-term economic profitability of the unit.

According to Surifah (1999), profit management can damage the credibility of financial statements when used for decision making because profit management is a form of manipulation of financial statements that is the subject of communication between managers and parties outside the company.

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This is in line with research conducted by Boone, Khurana, and Raman (2013) this study revealed that profit management practices can significantly affect managerial decision making and reduce the reliability of financial information used in operational decision making.

Earning management refers to the accounting practices used by companies to manage their financial statements so that they look better than their actual performance. Meanwhile, corporate social responsibility (CSR) is a business practice that integrates social and environmental responsibility into corporate activities.

Several studies have been conducted to investigate the effect of earning management on CSR, but the results are controversial. Studies conducted by Healy and Palepu (2001) revealed that aggressive earning management practices are associated with lower levels of CSR.

Similar findings are also supported by research conducted by Zeng et al. (2016), which found that companies with elevated levels of earning management tend to have lower CSR performance. One reason is because these practices can distract companies from their social and environmental responsibilities.

Other studies have shown that there is a positive relationship between earning management and CSR. The study suggests that companies that manage their profits well will have more resources to invest in CSR, thus making them more active in fulfilling their social responsibilities.

Research that has been widely conducted, has not found research that discusses the effect of *Corporate Social Responsibility Disclosures* (CSRD) on financial health, this needs to be discussed because improper implementation of CSR or non-transparent disclosure can harm the company.

If CSR activities result in prohibitive costs without comparable benefits, or if CSR disclosures are considered not credible, this can affect investor feelings and reduce the company's financial health. The increase in share price reflects management's performance over a measurable period.

Management performance is no longer seen in how the company generates profits but also how the company achieves social and environmental values in line with the triple bottom line concept: profit, people planet (Elkington, 1997; Porter and Kramer, 2011).

Stakeholder demands expand along with technological and information developments that touch on sustainability aspects (Cannon, 2012; Rankin, et al., 2012; Brinkmann, 2016). Therefore, companies need to pay attention to efforts in achieving social and environmental performance through *Corporate Social* Responsibility-CSR activities (Kamil and Antonius, 2012; Rustiarini 2010; McWilliams and Siegel, 2000).

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Figure 1: Share Price

Source: IDX Mining

Over the past 5 years, the mining industry has experienced some significant stock price fluctuations. At the beginning of 2018, the share price of mining companies experienced a considerable increase, but in mid-2018, the stock price fell sharply. In 2019, the mining company's share price rose again, especially in the second and third quarters, before falling again at the end of the year.

The same trend continued in 2020, where the share price of mining companies experienced a sharp decline at the beginning of the year but recovered again in the second and third quarters. However, in late 2020 and early 2021, the share price of mining companies experienced significant fluctuations due to the Covid-19 pandemic which had an impact on industry and the global economy.

The phenomenon of this research is to see the condition of mining companies in Indonesia which have fluctuated in the past five years. Mining is often associated with significant environmental and social impacts, such as environmental degradation, conflict with local communities, and public health issues.

Therefore, mining companies are often faced with pressure to be socially and environmentally responsible. It is important for mining companies to consider the social and environmental impacts of their activities, as well as to transparently show their efforts in managing those impacts. Thus, companies can build trust and minimize reputational risk, which can ultimately contribute to an increase in company value.

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FORMULATION OF THE PROBLEM

Based on the background described previously, the problem in this research can be formulated in the form of a research question as follows:

1) Outer model between asset structure and Earning management in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
2) Outer model between asset structure and Corporate Social Responsibility Disclosures (CSRD) in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
3) Outer model between asset structure and Financial Health in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
4) Outer model between asset structure and Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
5) Outer model between capital structure and Earning management in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
6) Outer model between capital structure and Corporate Social Responsibility Disclosures (CSRD) in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
7) Outer model between capital structure and Financial Health in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
8) Outer model between capital structure on Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
9) Outer model between Earning Management on Corporate Social Responsibility Disclosures (CSRD) in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
10) Outer model between Corporate Social Responsibility Disclosures (CSRD) on financial health in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
11) Outer model between Earning Management on Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
12) Outer model between Corporate Social Responsibility Disclosures (CSRD) on Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
13) Outer model between Financial Health on Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange?
14) Outer model between earning management on Value of The Firm with Good corporate governance (GCG) as a moderator in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange?

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15) Outer model between Corporate Social Responsibility Disclosures (CSRD) on Value of The Firm with Good corporate governance (GCG) as a moderator in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange?
16) Outer model between Financial Health on Value of The Firm with Good corporate governance (GCG) as a moderator in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange?

RESEARCH PURPOSES

The aim of this research is to analyze:

1) To determine the Outer model of asset structure on Earning management in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
2) To determine the Outer model of asset structure on Corporate Social Responsibility Disclosures (CSRD) in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
3) To determine the Outer model of asset structure on Financial Health in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
4) To determine the Outer model of asset structure on Value of The Firm in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
5) To determine the Outer model of capital structure on Earning management in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
6) To determine the Outer model of capital structure on Corporate Social Responsibility Disclosures (CSRD) in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
7) To determine the Outer model of capital structure on Financial Health in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
8) To determine the Outer model of capital structure on the Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.
9) To determine the Outer model of Earning Management on Corporate Social Responsibility Disclosures (CSRD) in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.
10) To determine the Outer model of Corporate Social Responsibility Disclosures (CSRD) on financial health in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.
11) To determine the Outer model of Earning Management on the Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.

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12) To determine the Outer model of Corporate Social Responsibility Disclosures (CSRD) on the Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.
13) To determine the Outer model of Financial Health on the Value of The Firm in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.
14) To determine the Outer model between earning management on Value of The Firm with Good corporate governance (GCG) as a moderator in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
15) To determine the Outer model between Corporate Social Responsibility Disclosures (CSRD) on Value of The Firm with Good corporate governance (GCG) as a moderator in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.
16) To determine the Outer model between Financial Health on Value of The Firm with Good corporate governance (GCG) as a moderator in Metal and Mineral Mining companies listed on the Indonesia Stock Exchange.

STUDY THEORY

Financial Management

According to Kariyoto (2018:3), financial management is the integration of science and art that examines and analyzes the efforts of a financial manager by using all of the company's human resources to seek funding, manage funding, and distribute funding with the goal of being able to provide profit or welfare for shareholders and business sustainability for economic entities.

Asset Structure

According to Syamsudin (1994), asset structure is the determination of several locations for each asset component, both in current assets and in fixed assets. Asset structure can be measured using:

1) Fix Asset Ratio (FAR)
2) Total Asset Turnover (TAT)
3) Fixed Assets Turnover (FAT)
4) Current Assets Turnover(CAT)

Capital Structure

Capital structure is a comparison between long-term debt and equity used by the company (Riyanto, 2001). Capital structure is a combination of all items included in the right side of the company's capital source balance sheet. Capital structure can be measured using:

1) Debt to Asset Ratio (DAR)
2) Debt to Equity Ratio (DER)

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Earning Management

According to Tundjung (2015), earnings management is a management action to choose an accounting policy from a certain standard to influence the profits that will occur to be as they wish through managing internal factors owned or used by the company. Earnings management is measured using discretionary accruals, using the Modified Jones Model.

Corporate Social Responsibility Disclosure (CSRD)

Corporate social responsibility disclosure is the process of communicating or conveying the social and environmental impacts resulting from economic activities or operational activities of an organization to specific interested groups and to society as a whole (Sembiring, 2005)

This study uses content analysis to analyze responsibility reports in determining the scope/level of corporate social responsibility information.

Financial Health

Corporate health is a written statement signed by the company and management that contains the overall vision and goals of the company, to measure the level of bankruptcy of the company that includes the company's activities as a whole that are general and operational. Corporate health indicates the financial conditions of the company. (Schuler, 1999:222)

Financial health condition is the level to which the company has carried out operational activities optimally. This study refers to the journal Suriani (2014) which states that financial health conditions can be proxied by The Zmijewski Model (1984).

Good Corporate Governance

According to the World Bank in Effendi (2016:2), the definition of good corporate governance (GCG) is a collection of laws, regulations, and rules that must be met, which can encourage the performance of company resources to function efficiently in order to produce sustainable long-term economic value for shareholders and the surrounding community as a whole.

Disclosure of GCG implementation is measured based on the criteria set out in the Regulation of the Minister of State-Owned Enterprises Number: PER-01/MBU/2011. The approach used to calculate GCG disclosure is the dichotomy approach. Each GCG item in the research instrument is given a value of 1 if the company discloses the item in the annual report and is given a value of 0 if the company does not disclose it.

1) Transparency, namely openness in implementing the decision-making process and openness in disclosing material and relevant information about the company;
2) Accountability, namely clarity of function, implementation and accountability of the Persero Organ/Perum Organ so that company management is carried out effectively;
3) Responsibility, namely compliance in the management of the Company with the provisions of laws and regulations and healthy corporate principles;

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4) Independence, namely a condition in which the company is managed professionally without Conflict of Interest and influence/pressure from any party that is not in accordance with the provisions of laws and regulations and healthy corporate principles; and
5) Fairness, namely justice and equality in fulfilling stakeholder rights arising from agreements and provisions of laws and regulations.

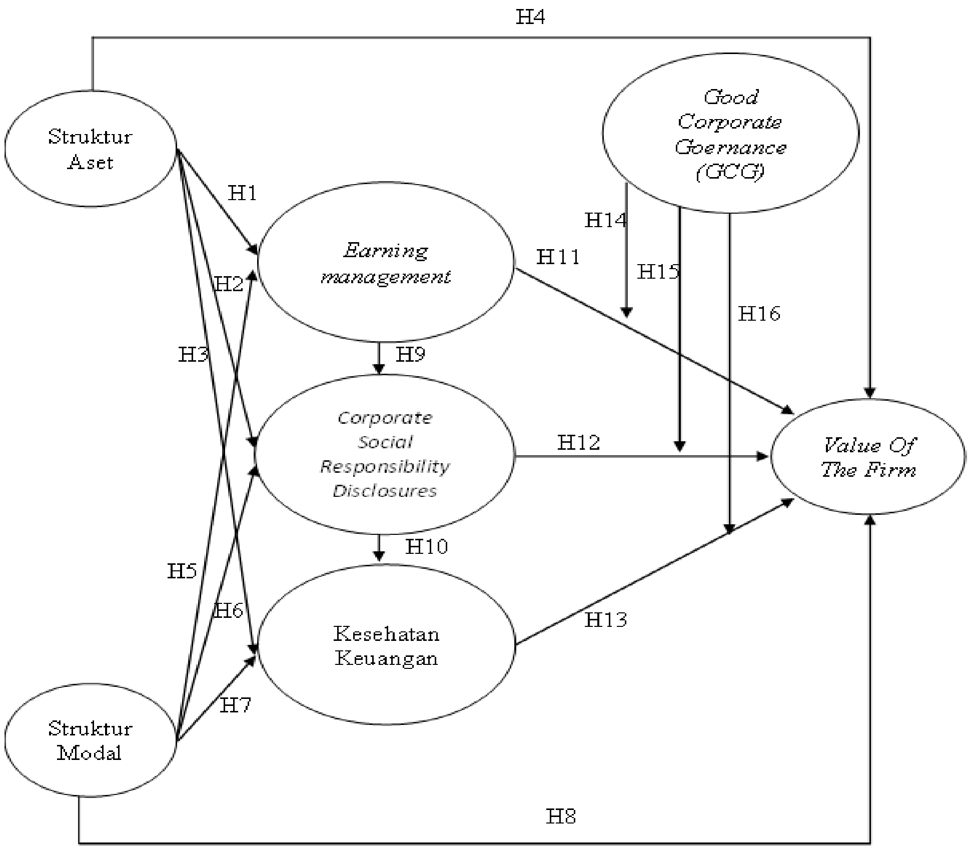
Value of The Firm

Company value is the value given by stakeholders to the company and no investor will invest their capital in a company for free without a return (Saona & San Martín, 2018).

Asset structure can be measured using:

1) Earning per Share (EPS)
2) Price Book Value (PBV)
3) Tobin's Q
4) Price Earning Ratio (PER)

CONCEPTUAL FRAMEWORK



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RESEARCH HYPOTHESIS

Based on the problem formulation, theoretical studies, previous research and research conceptual framework, a hypothesis related to the problem formulation as follows:

1) Outer model between Asset structure and earnings management is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
2) Outer model between Asset structure and Corporate Social Responsibility Disclosure (CSRD) is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
3) Outer model between Asset structure and financial health is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
4) Outer model between Asset Structure and Company Value is valid and reliable in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.
5) Outer model between Capital structure and earnings management is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
6) Outer model between Capital structure and Corporate Social Responsibility Disclosure (CSRD) is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
7) Outer model between Capital structure and financial health is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
8) Outer model between Capital structure and Company Value is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
9) Outer model between Earnings management and corporate social responsibility disclosure (CSRD) is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
10) Outer model between Disclosure of Corporate Social Responsibility (CSRD) and financial health is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
11) Outer model between Earnings management and Company Value is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
12) Outer model between Disclosure of Corporate Social Responsibility (CSRD) and Company Value is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
13) Outer model between Financial health and Company Value is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.

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14) Outer model between Earnings management and Company Value with Good Corporate Governance (GCG) as a moderator is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
15) Outer model between Disclosure of Corporate Social Responsibility (CSRD) and Company Value with Good Corporate Governance (GCG) as a moderator is valid and reliable in metal and mineral mining companies listed on the Indonesia Stock Exchange.
16) Outer model between Financial health and Company Value with Good Corporate Governance (GCG) as a moderator is valid and reliable in Metal and Mineral Mining Companies Listed on the Indonesia Stock Exchange.

RESEARCH METHODS

This study intends to explain the Outer model between variables through hypothesis testing and explaining several variables. This study discusses the outer model of asset structure and capital structure on the value of the firm through earning management, corporate social responsibility disclosures, and financial health with good corporate governance as moderation.

1. Population and research sample

The population in this study is Mining Sector Companies. The number of mining companies listed on the Indonesia Stock Exchange is 48 companies, the sampling method in this study uses a type of Nonprobability sampling with Purposive sampling techniques. Based on the sampling technique applied, this study found that there were 10 companies that were sampled.

2. Data collection methods

In this study, researchers used secondary data derived from company financial reports and corporate social responsibility reports.

3. Data analysis techniques

This research uses secondary data or information processed using statistical methods and PLS software. The data analysis method used is Partial Least Square (PLS).

4. Hypothesis Testing

Outer Model is a model that connects between indicators and their latent variables, also called outer relation or measurement model, which defines the characteristics of the construct with its manifest variables. The steps taken are to assess two criteria in the use of data analysis techniques, namely assessing the outer model through construct reliability and validity, and discriminant validity (Ghozali, 2013).

RESULTS OF ANALYSIS AND HYPOTHESIS TEST

The results of the confirmatory analysis of exogenous variables are conducted using a partial least square (PLS) analysis tool to find whether the observed variables really reflect the analyzed factors. This analysis involves evaluating the suitability of the model, the significance

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of the factor weight, and the lambda value or loading factor. The results of this analysis are as follows:

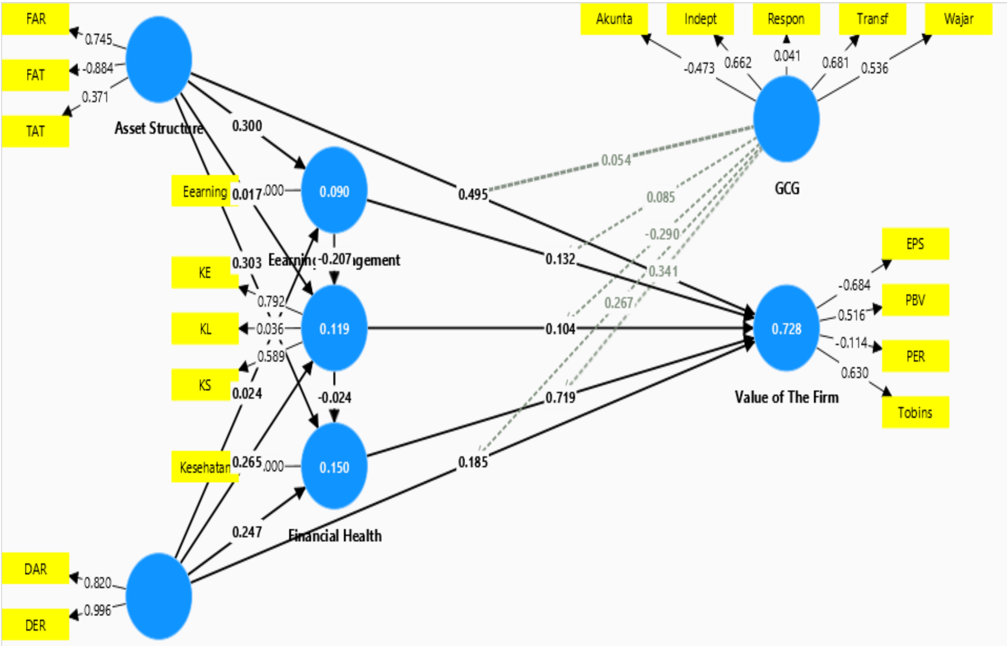

Figure 2: Research model before elimination

Sources: Research Finding

Table 1: Outer Loadings – List Before Elimination

	Outer loadings
Akunta <- GCG	-0.473
DAR <- Capital Structure	0.820
DER <- Capital Structure	0.996
EPS <- Value of The Firm	-0.684
Eearning <- Eearning Management	1.000
FAR <- Asset Structure	0.745
FAT <- Asset Structure	-0.884
GCG x Asset Structure -> GCG x Asset Structure	1.000
GCG x CSRD -> GCG x CSRD	1.000
GCG x Capital Structure -> GCG x Capital Structure	1.000
GCG x Eearning Management -> GCG x Eearning Management	1.000
GCG x Financial Health -> GCG x Financial Health	1.000
Indept <- GCG	0.662
KE <- CSRD	0.792
KL <- CSRD	0.036
KS <- CSRD	0.589
Kesehatan <- Financial Health	1.000
PBV <- Value of The Firm	0.516
PER <- Value of The Firm	-0.114
Respon <- GCG	0.041
TAT <- Asset Structure	0.371
Tobins <- Value of The Firm	0.630

Sources: Research Finding

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In the research model that has a loading factor below 0.5 will be eliminated because it does not describe the variable. Indicators that must be eliminated are Fix Asset Ratio, Total Asset Ratio, KL, KS, akunta (Accountability), respon (responsbility), Wajar (fairness), earning per share, and price earning ratio.

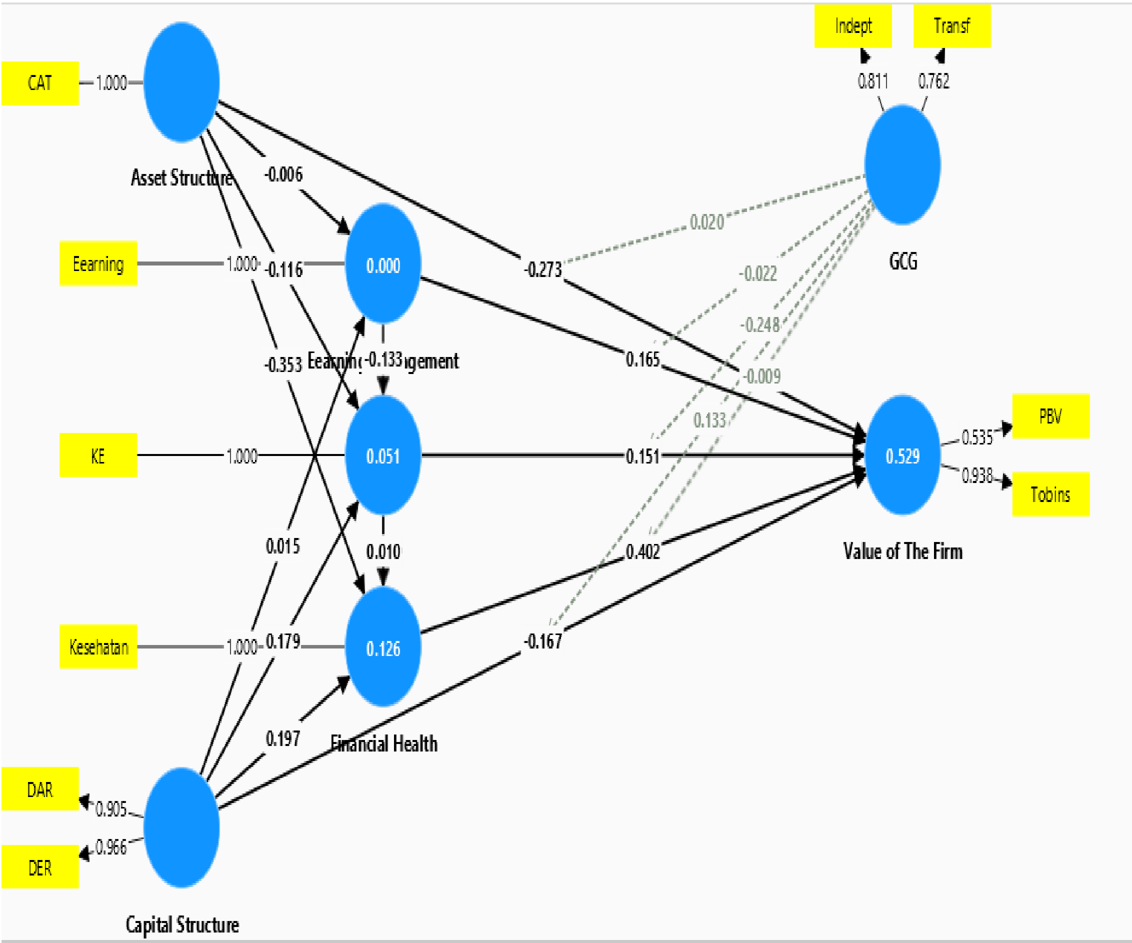

Figure 3: Research Model After Elimination

Sources: Research Finding

Convergent Validity

The convergent validity value can be seen from the correlation between the item or indicator score and its construct. An indicator is considered reliable if it has a correlation value above 0.7, however, in the scale development stage of research, a factor loading value of 0.5 - 0.6 is still acceptable (Ghozali, 2015:37).

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Table 2: Outer Loadings – List After Elimination

Outer loadings - List	Outer loadings
CAT <- Asset Structure	1.000
DAR <- Capital Structure	0.905
DER <- Capital Structure	0.966
Eearning <- Eearning Management	1.000
Indept <- GCG	0.811
KE <- CSRD	1.000
Kesehatan <- Financial Health	1.000
PBV <- Value of The Firm	0.535
Tobins <- Value of The Firm	0.938
Transf <- GCG	0.762
GCG x Capital Structure -> GCG x Capital Structure	1.000
GCG x Asset Structure -> GCG x Asset Structure	1.000
GCG x Financial Health -> GCG x Financial Health	1.000
GCG x CSRD -> GCG x CSRD	1.000
GCG x Eearning Management -> GCG x Eearning Management	1.000

Sources: Research Finding

Based on table 1, all indicators have a factor loading value above 0.5, it mean that all indicators are considered reliable.

Discriminant validity

Discriminant validity aims to test how far the latent construct is truly different from other constructs. A high discriminant validity value indicates that a construct is unique and able to explain the phenomena being measured. A construct is said to be valid by comparing the root value of AVE with the correlation value between latent variables. The root value of AVE must be greater than the correlation between latent variables.

Table 3: Construct Reliability and Validity - AVE

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Capital Structure	0.866	1.026	0.934	0.876
GCG	0.386	0.388	0.765	0.619
Value of The Firm	0.346	0.519	0.722	0.583

Sources: Research Finding

Cross-loading

Cross-loading is another method to find out discriminant validity, namely by looking at the cross loading value. If the loading value of each item on its construct is greater than the cross loading value.

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Table 4: Cross Loading

	Asset Structure	CSRD	Capital Structure	Eearning Management	Financial Health	GCG	Value of The Firm	GCG x Asset Structure	GCG x Eearning Management	GCG x CSRD	GCG x Financial Health	GCG x Capital Structure
CAT	1.000	-0.116	-0.530	-0.006	-0.353	0.088	-0.273	0.143	-0.036	0.300	-0.173	-0.033
DAR	-0.336	0.032	0.905	-0.009	0.044	-0.242	-0.313	-0.013	0.191	-0.308	-0.057	-0.014
DER	-0.599	0.252	0.966	0.028	0.272	-0.113	-0.063	-0.033	0.178	-0.272	0.115	-0.169
Eearning	-0.006	-0.133	0.015	1.000	0.205	-0.384	0.165	-0.035	0.413	0.181	-0.066	0.231
Indept	0.129	0.158	-0.228	-0.443	-0.305	0.811	-0.239	0.089	-0.048	0.258	-0.058	-0.240
KE	-0.116	1.000	0.179	-0.133	0.010	0.227	0.151	0.266	0.164	-0.030	-0.074	-0.328
Kesehatan	-0.353	0.010	0.197	0.205	1.000	-0.107	0.402	-0.155	-0.060	-0.075	0.221	0.058
PBV	-0.095	0.110	0.085	0.050	0.293	-0.205	0.535	0.026	0.118	-0.146	0.038	-0.008
Tobins	-0.278	0.129	-0.228	0.171	0.345	-0.250	0.938	0.013	-0.074	-0.228	-0.026	0.157
Transf	0.003	0.202	-0.032	-0.146	0.160	0.762	-0.215	0.072	0.024	0.274	0.027	-0.212
GCG x Capital Structure	-0.033	-0.328	-0.117	0.231	0.058	-0.288	0.133	-0.434	-0.146	0.118	0.013	1.000
GCG x Asset Structure	0.143	0.266	-0.027	-0.035	-0.155	0.103	0.020	1.000	0.096	-0.124	-0.455	-0.434
GCG x Financial Health	-0.173	-0.074	0.053	-0.066	0.221	-0.022	-0.009	-0.455	-0.043	-0.107	1.000	0.013
GCG x CSRD	0.300	-0.030	-0.303	0.181	-0.075	0.338	-0.248	-0.124	-0.065	1.000	-0.107	0.118
GCG x Eearning Management	-0.036	0.164	0.194	0.413	-0.060	-0.018	-0.022	0.096	1.000	-0.065	-0.043	-0.146

Sources: Research Finding

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DISCUSSION

Outer model between Asset structure and Earning Management

Profit management is the action of company management that manipulates financial statements to appear better than actual performance. The main purpose of profit management is to influence the belief of investors, creditors, or other interested parties on the performance of a company. The asset structure of an enterprise can affects its profit management practices. Profit management is a process used by business executives to influence profit figures reported in financial flatten the aim of improving company performance or influencing investor and shareholder beliefs. A strong and stable asset structure can have a positive impact in reducing a company's profit management practices.

Outer odel between Asset structure and Corporate Social Responsibility Disclosures (CSRD)

CSRD includes the disclosure of information about the company's social and environmental activities as well as commitment to sustainable and ethical business practices. However, a company's investment structure may not have a direct impact on CSRD, but many other factors can influence whether a company shows CSR information. This includes management, stakeholder pressure, corporate culture, and applicable regulations. In practice, companies often try to find a balance between social responsibility and financial obligations by their asset structure and business goals.

Outer model between Asset structure and Financial Health

The asset structure reflects the composition of a company's assets, including asset type, liquidity, quality and relative value. Here are some of the effects of asset structure on financial health. Liquidity: an asset structure that includes many liquid assets such as cash and available investments can supply financial flexibility for a business. This way, companies can quickly respond to their business obligations and opportunities without major liquidity issues. Credit risk: If a company has large investments in debt that its borrowers may not be able to repay, this asset structure can increase credit risk. This can affect the financial state of the company if its debts are reduced or cannot be collected. Intangible value: An asset structure that includes intangible assets such as goodwill can affect the financial value of a business.

The Company may have to acknowledge impairment in the value of such assets, which may negatively affect the financial statements. Duty cycle: Different industries and sectors have different duty cycles. An asset structure that reflects a stable and sustainable business can support long-term financial health, while a volatile business cycle may require more prudent liquidity management. Asset turnover: Asset turnover is a ratio that measures how much revenue a company can earn from each unit of asset it owns. An efficient asset structure can increase asset turnover, which in turn can improve profitability and financial health. Ability to finance growth: an investment structure with adequate resources allows the company to finance growth, research and development investments, expansion into new markets or strategic acquisitions.

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It is important to remember that asset structure is one factor in assessing the financial health of a company and cannot be separated from other factors such as cash management, debt, profitability, and operational efficiency. Financially sound companies often strive for asset structures that meet their business objectives and minimize risk and maximize financial opportunities.

Outer model between Asset structure and Value of The Firm

Asset structure refers to the composition of a company's assets, including the types of assets it owns and how it is funded. First, the structure of assets can affect the risk of the company. If a company has diversified and well-diversified assets, the company's risk can be reduced. In this case, investors can supply higher value to the company due to lower risk. Conversely, if a company has assets that are concentrated in one business field or one type of asset, then the company's risk can increase. This can weaken investors' valuation of the company.

Second, asset structure can also affect a company's cash flow. If a company has productive assets and generates stable cash flow, it can increase the value of the company. Conversely, if a company's assets are unproductive or generate unstable cash flow, it can reduce the value of the company. In addition, asset structure can also affect a company's access to funding. If a business has assets that can be used as collateral, it will be easier to get a loan with a lower interest rate. Conversely, if a business has assets that are difficult to use as collateral, this can make it difficult for the business to obtain financing at a higher interest rate. In short, asset structure can affect a company's value through its impact on business risk, the company's cash flow and access to funding. Therefore, it is important for companies to consider the right asset structure to increase the value of the company.

Outer model between Capital structure and Earning Management

Capital structure refers to the composition and sources of funds that a company uses to finance its operations and investments. Performance management, on the other hand, refers to the management practices of companies that manipulate financial statements to influence reported results. The relationship between capital structure and profit management can be complex and vary by company and industry context. However, several factors can affect this ratio: Debt: When a company has a lot of debt, management may feel pressured to manipulate financial statements to meet interest and principal payment obligations. This can lead to unethical revenue management practices. Equity: Companies with high equity typically have less pressure to manipulate financial statements because they do not have significant large interests and liabilities. However, this does not mean that large-cap companies do not engage in performance management practices.

This practice can occur in many situations. Ownership structure: The ownership structure of a company can also affects profit management. Companies owned by families or controlling shareholders may tend to use profit management practices to maximize their personal profits. Company Size: Company size can also affect the relationship between capital structure and profit management. Larger companies tend to have more resources and better internal controls, which can reduce the likelihood of implementing profit management practices.

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It is important to remember that the relationship between capital structure and profit management is not simple and can be influenced by many other factors. In addition, unethical performance management can have serious legal and reputational consequences for the company. Therefore, companies must ensure transparent and ethical accounting practices are followed to keep the trust of investors and other stakeholders.

Outer model between Capital structure and Corporate Social Responsibility Disclosures (CSRD)

Corporate social responsibility is a business practice in which a company engages in social, environmental, and financial activities that aim to have a positive impact on society and the surrounding environment. Capital structure refers to the composition of a company's funding sources, such as debt and equity. Some research suggests that different capital structures can influence a company's decision to show social responsibility. One factor influencing the relationship between capital structure and social responsibility disclosure is stakeholder pressure.

When a company has a lot of debt, stakeholders such as creditors may pay more attention to the company's financial performance than the company's obligations. Conversely, if a company has a high share capital, the company will be more likely to show CSR as a form of social responsibility. In addition, capital structure can also affect a company's ability to make long-term investments in CSR. If the company has a lot of debt, then the company may have financial constraints to make long-term investments. Conversely, if a company has a large equity capital, then the company may be able to make long-term investments in CSR. However, the relationship between capital structure and CSR disclosure is not direct and may be influenced by other factors such as company size, industry, and applicable regulations. Therefore, it is important to conduct deeper research to understand more precisely the relationship between capital structure and CSR disclosure.

Outer model between Capital structure and Financial Health

Capital structure refers to the composition of financial resources used to finance a company's operations and investments. A healthy capital structure can have a positive impact on a company's financial position. A good capital structure can help a company perfect its cost of capital. When a company receives financing at a lower cost, it increases the profitability and financial health of the company. Proper capital structure helps mitigate financial risk. By combining various sources of financing, companies can reduce the risk of insolvency or bankruptcy that can threaten financial health. Financial flexibility: a flexible capital structure allows a company to adapt its financial needs to changing market conditions. Companies have easy access to multiple sources of funding and can overcome potential financial challenges. A best capital structure can increase the value of the company. By managing equity and debt ratios, companies can achieve best returns for shareholders. Credibility and trustworthiness: the right capital structure can increase the credibility and confidence of investors, creditors, and business partners. This can open opportunities to earn extra money or create profitable collaborations. But keep in mind that every business has unique needs and conditions.

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Therefore, it is important for the management of an enterprise to conduct a careful analysis and consider crucial factors before deciding the best capital structure.

Outer model between Capital structure and Value of The Firm

Capital structure, which refers to how a company finances its operations with a combination of debt and equity, affects enterprise value. Cost of capital: Capital structure affects the cost of capital of an enterprise. When a company has more debt, its cost of capital is generally higher due to the risk of bankruptcy and other funding costs. Conversely, if a company has more equity capital, the cost of that capital may be lower. This cost of capital has a direct impact on the value of the business because the value of the business is the present value of future cash flows discounted by the cost of capital. Financial risk: Capital structure also affects a company's financial risk. Companies with high debt loads usually have higher financial risks that can reduce company value. On the other hand, companies with high share capital may have less financial risk to increase the value of the company. Financial flexibility: Capital structure can affect a company's financial flexibility. Companies with larger share capital may have greater financial flexibility to make investment or operational decisions that can increase the value of the company. On the other hand, companies with higher debt loads may have less financial flexibility. Signal effect: Capital structure can also send signals to the market about the prospects of a company. Companies with a lot of debt can send negative signals to the market so that it can reduce the value of the company. Conversely, companies with high equity can send positive signals to the market so that they can increase the value of the company.

Outer model between Earning management and Corporate Social Responsibility Disclosures (CSRD)

Profit management is the practice of manipulating financial statements conducted by company management to achieve the desired results. This can be done in a few diverse ways, such as accelerated revenue recognition or delayed expense recognition. Corporate social responsibility (CSRD) disclosures are corporate announcements of how they act ethically, are environmentally responsible, and contribute to society. Profit management can affect CSRD in several ways. First, when companies do performance management, it can damage their reputation and damage public trust. This can motivate them to raise their awareness of CSR to improve their image and restore trust. Second, performance management firms might use CSR information to try to hide or distract from these practices. Thus, they can use CSRD as a tool to distract from their profit management activities. However, it is important to note that the relationship between performance management and CSRD can vary depending on numerous factors such as the company's industry, applicable regulations, and cultural norms. Therefore, more research is needed to understand the relationship.

Outer model between Corporate Social Responsibility Disclosures (CSRD) and financial health.

Corporate Social Responsibility (CSRD) disclosure can affect a company's financial position in several ways: Increase reputation and trust: A company that actively shows its CSR activities can increase its reputation in the eyes of the public and stakeholders, which in turn can increase

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sales and revenue. Investment involvement: Investors are increasingly considering environmental, social, and corporate governance (ESG) factors in their investment decisions. Therefore, companies with strong CSR records can attract more investment. Lower risk: CSR disclosure can help companies find and manage ESG risks, thereby reducing potential legal and reputational losses. Increased customer loyalty: Customers are increasingly choosing to support socially responsible companies. Therefore, strong CSR disclosure can help keep and attract new customers, thereby increasing revenue. However, it is also important to note that there may be costs associated with CSR reporting, such as the cost of reporting and implementing CSR initiatives. Therefore, companies must consider the benefits and costs of CSR disclosure in the context of their overall business strategy and aims.

Outer model between Earning management and Value of The Firm

Performance management is the practice of company management to manage or manipulate financial statements to achieve desired results. This can affect a company's value in several ways: Improves investor feeling: When profit management is used to prove better financial performance, it can improve investors' feeling of a company's value, which can ultimately increase stock prices. Influencing investment decisions: Performance management can influence investment decisions by supplying a more positive picture of a company's financial position. This can attract more investment to increase the value of the company. Reduce revenue volatility: Profit management can reduce revenue volatility, which can make a business more stable and increase business value. However, it is important to note that there are risks involved in revenue management. If a company is caught manipulating financial statements, it can damage the company's reputation and reduce investor confidence which in turn can reduce the value of the company.

Outer model between Corporate Social Responsibility Disclosures (CSRD) and Value of The Firm

Improve corporate image: Publicizing corporate responsibilities can improve the company's image in the eyes of the public and investors. Investors and consumers tend to value companies that are known to be committed to social responsibility, thereby increasing the value of the company. Increase customer loyalty: Disclosure of corporate responsibility can help increase customer loyalty. Customers tend to be more loyal to companies that prove social and environmental responsibility, which can increase sales and revenue, as well as company value. Lower regulatory and legal risks: Companies that proactively show their CSR efforts can reduce the risk of legal and regulatory sanctions. This can reduce potential costs and increase business value. Attracting and keeping quality employees: Information about corporate responsibilities can help companies attract and keep quality employees. Employees tend to be more loyal and productive when they work in companies, they consider them socially responsible. However, it is important to note that the effectiveness of CSR disclosure in enhancing corporate value depends largely on the extent to which stakeholders view CSR activities as genuine and effective.

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Outer model between financial health and Value of The Firm

Profitability: Companies that generate consistent profits tend to have higher values. High profits show that the company has a successful business model and can supply good returns to investors. Liquidity: Companies with good liquidity, e.g. The ability to meet its short-term obligations is usually more valuable. Good liquidity shows the company can survive in difficult market conditions and take advantage of emerging opportunities. Capital structure: A best capital structure i.e., a combination of debt and equity can increase the value of a company. Companies with good leverage can minimize the cost of capital and increase shareholder profits. Growth: Companies with stable revenue and profit growth tend to have higher valuations. Robust growth shows that the company has good long-term prospects. Risk management: Companies that successfully manage financial risk, such as exchange rate fluctuations or commodity prices, tend to be more valuable. Good risk management helps companies keep profits and avoid large losses. Thus, a good financial position can increase the value of a company in the eyes of investors, employees, customers, and other interest groups.

Outer model between Earning management and Value of The Firm with Good Corporate Governance (GCG) as moderation.

Profit management, or performance management, is the practice of manipulating financial statements by company management to achieve certain performance goals. Although this practice is often associated with adverse behavior, in some cases performance management can be used to reduce the instability of results and supply a more consistent picture of company performance. Good corporate governance (GCG) plays a moderate role in the relationship between performance management and corporate value. GCG includes rules, procedures, and practices that ensure fair and transparent company management, considering all stakeholders. Transparency and Accountability: GCG encourages transparency and accountability in financial reporting. This can reduce the likelihood of excessive profit management and ensure that financial statements present a correct picture of the company's performance. Stakeholder protection: GCG ensures that the interests of all stakeholders are considered. This can prevent profit management from harming shareholders, employees or other parties. Risk management: GCG includes effective risk management, which allows to avoid managing revenue risks and guarantees financial stability and the health of the company. Thus, with strong GCG, companies can minimize the negative impact of performance management and maximize company value.

Outer model between Corporate Social Responsibility Disclosures (CSRD) and Value of The Firm with Good Corporate Governance (GCG) as moderation.

CSRD is information disclosure about corporate social responsibility to various stakeholders such as the environment, employees, communities and others. By implementing CSRD, the company can improve its image and reputation in the eyes of the public, which in turn can increase the value of the company. However, the impact of CSRD on company value may be influenced by limiting factors such as good corporate governance (GCG). GCG refers to good corporate governance practices, including transparency, accountability, and protection of shareholder interests. In this context, GCG can moderate the relationship between CSRD and

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corporate values. If a company implements good GCG practices, CSRD can increase the positive impact on company value. This is because GCG can ensure companies manage their social responsibility well and manage CSRD risks. However, if the company does not implement good GCG practices, then the impact of CSRD on the Company's value may not be as great as expected. Lack of transparency and accountability in corporate governance can undermine investor and public confidence in corporate social responsibility disclosures. In summary, CSRD has a positive effect on company value, but this influence can be influenced by factors such as GCG. Therefore, it is important for companies to implement good GCG practices to maximize the benefits of CSRD in increasing company value.

Outer model between financial health and Value of The Firm with Good Corporate Governance (GCG) as moderation.

Financial health can be measured using several metrics such as financial ratios, profitability, liquidity, and leverage. Companies with good financial conditions usually have a higher company value. However, the impact of financial health on company value can be influenced by inhibiting factors such as good corporate governance (GCG). GCG refers to good corporate governance practices, including transparency, accountability, and protection of shareholder interests. In this context, GCG can moderate the relationship between financial condition and corporate value. If a company implements good GCG practices, the positive influence of financial position on company value can increase. This is because GCG can ensure that companies follow sound financial practices and manage risks associated with company finances. However, if the company does not implement good GCG practices, the impact of the financial situation on the Company's value may not be as large as expected. Lack of transparency and accountability in the fiscal management of a company can weaken investor and public confidence in the company's financial well-being. In conclusion, the company's financial condition has a positive effect on the company's value, but this influence can be influenced by factors such as GCG. Therefore, it is important for companies to implement good GCG practices to maximize benefits to financial position to increase company value.

CONCLUSION

In the research model that has a loading factor below 0.5 will be eliminated because it does not describe the variable. Indicators that must be eliminated are Fix Asset Ratio, Total Asset Ratio, KL, KS, akunta (Accountability), respon (responsbility), Wajar (fairness), earning per share, and price earning ratio. Based on the results of the construct reliability and validity test on the option average variance extracted (AVE), all variables have values greater than 0.5, meaning that the variables used in this study are declared valid in measuring latent variables. Based on the results of the factor loading test, it was found that the factor loading value was greater than the cross loading value so that it can be said that the indicators in the assessment of the variables used in this study are valid.

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