2019 - Hermawan, Oktaviani, Biduri - The Effect of Performance

by Sigit Hermawan

THE EFFECT OF MANAGERIAL OWNERSHIP AND ENVIRONMENTAL PERFORMANCE ON CORPORATE ENVIRONMENTAL DISCLOSURE AND FINANCIAL PERFORMANCE

DOI: DOI 10.31150/AJEBM.VOL2.ISS1.43

*For correspondence:

Sigit Hermawan[1], Evie Oktaviani[1], Sarwenda Biduri[1]

[1]Universitas Muhammadyah Sidoarjo

Abstract This research is aimed to examine empirically the effect of managerial ownership, and environmental performance on corporate environmental disclosure, and financial performance. The research used an independent variable of managerial ownership, and environmental performance. The dependent variable is corporate environmental disclosure, and financial performance. The research uses secondary data from annual report of listed company manufactures in PROPER and IDX in 2012-2016. The total study sample was 80 company manufactures whose annual reports are selected by purposive sampling. The research method used is the classical assumption testing and hypothesis testing with multiple linear regression method. The results of this research showed that the variables of managerial ownership, and environmental performance have not significantly effect on the corporate environmental performance. The managerial ownership and environmental performance have a significant effect on the financial performance. The managerial ownership and environmental performance have a simultaneous effect on the corporate environmental performance and financial performance.

Keywords: MANAGERIAL, OWNERSHIP, PERFORMANCE, DISCLOSURE, ENVIRONMENTAL, significantly

Contents

Conflict of Interest Statement: The author [s] declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Introduction

PROPER Program is a Program for Assessing Company Performance in Environmental Management. PROPER describes the form of transparency and shows the involvement of the community in environmental management. The results of the PROPER assessment will be shown to the public in general. PROPER assessment with rating is expected to increase corporate responsibility with activities that have an impact on the environment to be more transparent in reporting environmental information (Ardhi, 2016). There is a view that if a company that carries out environmental performance well will present a high level of environmental disclosure to maintain the company's reputation. It is expected that the disclosure of environmental performance can be considered by investors other than financially(Gladia dan Rahardja, 2013).

Environmental Performance is the company's performance to create a good environment. with environmental performance the company will get good ratings from the public and investors. So that it becomes one of the considerations of investors in making investment decisions. The activities of the company environment in generating profits and meeting the needs of the community automatically result in consequences for the surrounding community environment. The impact caused by the company's environmental performance can affect the continuation of the business of the company itself.

Darlis, dkk. (2009) stated that the disclosure of environmental performance was practiced by companies both through annual reports (annual reports) and sustainability reports (continuous reports) which contained several main aspects, namely: a) environmental performance, b. .) social performance, as well as c.) economic performance. Disclosure of environmental information is a form of disclosure from the environmental aspects of the company's production process which includes controls in carrying out the company's business operations, prevention of environmental damage and repairs to damage due to natural resource processing and conservation of said natural resources. Corporate Environmental Disclosure or disclosure of the company's environment is a collection of information to the surrounding community as a result of activities carried out by the company. Corporate Environmental Disclosure is still voluntary, not all companies disclose their environmental information.

In fact, many companies do not have the awareness of their environmental responsibilities, or there are also already carrying out their social and environmental responsibilities, but still do not meet environmental performance criteria according to the Ministry of Environment, namely like PT Tiga Pilar Sejahtera Food Tbk, PT Certex Tbk , The Sido Muncul Tbk Herbal Medicine and Pharmacy industry PT, and many more.

In general, many influence the level of environmental disclosure in companies, one of which is managerial ownership. Managerial ownership or company ownership is the proportion of company ownership owned by management (Ardhi, 2016). If you have high thoughts, management will certainly be more motivated to increase the value of the company and expand the disclosure of environmental information, thereby increasing shareholders and achieving corporate goals. Management will also be aware of its responsibility to prevent any impact caused by the company's production activities.

Financial Performance is the company's financial performance or the company's ability to manage its finances, and the company's ability to earn profits. The company's financial performance can be seen from the company's profitability. Companies that have good performance can be said to have good long-term investment value. Companies with good environmental performance will also influence investors and potential investors (Zafarina, 2016).

This study uses four variables, which are two independent variables and two dependent variables. Managerial Ownership variables in Oktafianti dan Rizki (2014)study state that there is a positive influence between managerial ownership and Corporate Environmental Disclosure, which means that the more managerial ownership increases, the higher the disclosure of corporate environmental information. But the results of Ardhi (2016), Chang dan Zhang (2015), Kusumawati

(2013)stated otherwise, that Managerial Ownership did not have a significant effect on Corporate Environmental Disclosure. While the Managerial Ownership relationship to Financial Performance in Ardhi (2016)research,Andriana dan Panggabean (2017), Wiranata dan Nugrahanti (2013), states that Managerial Ownership does not affect Financial Performance.

Meanwhile, related to environmental performance variables, research by Gladia dan Rahardja (2013), Rohmah dan Wahyudin (2015), Kuncoro dan Effendi (2016)stated that environmental performance has a positive effect on Corporate Environmental Disclosure. Whereas for the influence of Environmental Performance variables on Financial Performance in the study ofZafarina (2016), Chang (2015) revealed that the company's environmental performance influences the company's financial performance. However, this is different from Bahri dan Cahyani (2016)research, Andriana dan Panggabean (2017), who stated that Environmental Performance does not affect Financial Performance.

These empirical studies reveal contradictory and varied results, so researchers need to re-examine the influence of Managerial Ownership and Environmental Performance on Corporate Environmental Disclosure, as well as their influence on Financial Performance. This research selects companies that are registered with PROPER, because this is a program created by the Ministry of Environment to know and assess the improvement of environmental responsibility.

Based on various explanations and relationships between variables, the formulation of the hypothesis can be in the research model drawing as follows.

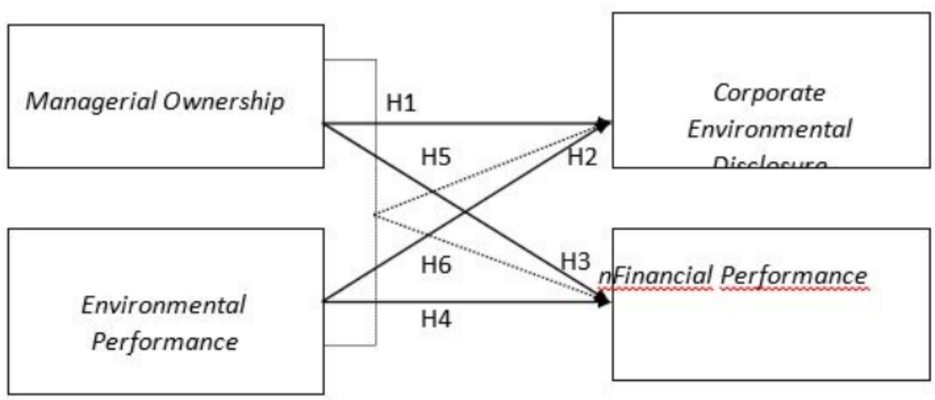

Figure 1.

H1: Managerial ownership affects Corporate Environmental Disclosure

H2: Managerial Ownership affects Financial Performance

H3: Environmental Performance affects Corporate Environmental Disclosure

H4: Environmental Performance affects Financial Performance

H5: Managerial Ownership and Environmental Performance simultaneously affects e the Corporate Environmental Disclosure

H6: Managerial Ownership and Environmental Performance simultaneously affect Financial Performance.

THEORETICALBACKGROUND AND LITERARY REVIEW

The basic theory that is suitable for the theme of this research is agency theory, legitimacy theory, and stakeholder theory. The following is an explanation of the basic theories in this study.

1. Agency Theory

Agency theory reveals relationships or contracts between principals and agents. Agency theory assumes that each individual is solely motivated by his own interests, giving rise to a conflict of interest between the principal and the agent(Anthony dan Govindarajan, 2010). The Principal is the owner of the company who is authorized to give orders to the agent regarding the interests of the principal, including delegating the authorization of decision making from the principal to the agent. while the agent is the manager who receives orders from the principal to manage the company.

2. Legitimacy Theory

Legitimacy theory is a strategic factor for the company in order to develop the company in the future, especially related to the company's efforts to position itself amid an increasingly advanced community environment. Organizational legitimacy can be seen as something that is desired or sought by companies from the community (Hadi, 2011).

3. Theory stakeholders

Stakeholder theory can be interpreted as a collection of policies and practices relating to stakeholders (parties inside and outside the company), values, adherence to legal provisions, community and environmental rewards, and company commitment to sustainable development. In theory the stakeholders of the company or organization are not entities that only operate and achieve goals for their own interests, but also must pay attention to the interests of stakeholders.

RESEACRH METHOD

This type of research is causal research(Hermawan dan Amirullah, 2016). The population of this study are manufacturing companies listed on the Indonesia Stock Exchange in 2012-2016. This study took a sample of 16 manufacturing companies through purposive sampling with a period of five years from 2012-2016. The research sample used was 80 annual reports as research objects. Following is the calculation of sample selection that meets the criteria:

Table 1. .ResearchSampling Distribution

No.	Criteria	Number of companies
1.	Manufacturing companies listed on the Indonesia Stock Exchange in 2012-2016	143
2.	Manufacturing companies not included in the 2012-2016 PROPER assessment	(80)
3.	A manufacturing company that is listed on the IDX and gets a PROPER rating for 2012-2016	63
4.	Manufacturing companies that do not publish annual reports in succession in the 2012-2016 period	(33)
5.	Manufacturing companies that suffered losses in the 2012-2016 period	(14)
6.	Manufacturing companies included in the PROPER criteria and listed on the Indonesia Stock Exchange in 2012-2016 (5 years)	16
7.	Sample Data (16 companies x 5 years)	80

Source: Processed Data

Research Variableand Independent Variable Operational Definition

1. ManagerialOwnership

Managerial ownership is a picture of the amount of management ownership of a company (Ardhi, 2016). Measurement of Company Ownership can be seen from the annual report of companies listed on the IDX. Managerial ownership can be measured by the following formula (Kusumawati, 2013):

MO = Management Stock Quantity/Total of Stock Quantity

1. **Environmental Performanc**

Environmental Performance measures the performance of companies related to the environment. Environmental management assessment is based on PROPER assessment. There are five colors with various rating grades based on company rankings shown as follows:

Gold: 5
Green: 4
Blue: 3
Red: 2
Black: 1

Dependent Variable

1. **Corporate Environmental Disclosure**

This is the disclosure of various information related to the company's environmental activities. The measurement of this variable from the annual report is matched with indicators of measuring environmental responsibility in the global accounting discourse known as the GRI (Global Reporting Initiative). Measurement and Reporting of social responsibility is based on G4 which has 34 sub-aspects of indicators. Measurements regarding the index of a company's environmental disclosure can be calculated using the following formula (Ardhi, 2016):

CED = Number of the "reported" /Number of the "should be reported"

2. **Financial Performance**

This is the company's ability to manage its finances, the company's ability to make a profit. Financial performance in this study uses profitability ratios, namely ROA which is an indicator of financial performance measurement. This ratio can be used as a tool to measure or assess the rate of return or annual return (%) of assets owned.

ROA = net profit X 100%/ Total of A set

RESULTS AND DISCUSSION

Descriptive Statistic Result:

Table 2. Deskriptive Statistic

	N	Min	Max	Mean	Std. Deviation
KM	80	.00	.92	.0596	.22373
EP	80	2.00	5.00	3.2875	.67868
CED	80	2.94	32.35	13.3816	7.50175
FP	80	.75	40.38	13.3577	10.07990
Valid N (list-wise)	80				

Source: Descriptive Statistic Data Processing Result,2018

The results of the descriptive statistical test show that managerial ownership obtained from the company's 2012-2016 financial statements shows an average value of 0.0596 from the highest score of 0.92 and the lowest 0.00 with a standard deviation of 0.22373. Environmental Performance is obtained from the PROPER report published by the Ministry of Environment in 2012-2016. From the descriptive test the environmental performance has an average value of 3.2875. With the highest value of 5.00 while the lowest value is 2.00 with a standard deviation value of 0.67868.

Corporate environmental disclosure can be seen from the company's annual report for 2012-2016. Disclosures are guided by GRI-G4 disclosures with 34 indicator items. Based on descriptive statistical tests, this research shows an average of 13.3816 with the highest value of 32.35, the lowest value of 2.94, and the standard deviation value of 7.50175. Financial Performance that is measured using ROA can be seen from the financial statements of companies in 2012-2016. Descriptive statistical tests show an average value of 13.3577 with the highest value of 40.38 and the lowest value is 0.75. While the standard deviation value is 10.07990.

Classic Assumption Test Result:

Table 3.

Unstandardized Residual		
		80
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	7.05566944
Most Extreme Differences	Absolute	.109
	Positive	.109
Negative		-.082
Kolmogorov-Smirnov Z		.974
Asymp. Sig. (2-tailed)		.299

Source: Normality Test Data Processing, 2018

Based on the table it can be seen that the value of Asymp Sig (2- failed) is 0.299 and is greater than the sig value of 0.05, so it can be concluded that the processed data is normally distributed. This can indicate that the normality test in this study has been fulfilled and is feasible to process to determine the influence of managerial ownership variables, environmental performance, and corporate environmental disclosure.

Table 4. Normality Test of Equation 2

Unstandardized Residual		
		80
Normal Parametersa,b	Mean	0E-7
	Std. Deviation	9.59453462
Most Extreme Differences	Absolute	.186
	Positive	.186
	Negative	-.115
Kolmogorov-Smirnov Z		1.101
Asymp. Sig. (2-tailed)		.081

Source : Hasil Olah Data Uji Normalitas,2018

Based on the table, it can be seen that the Asymp Sig (2- failed) value, which is 0.081, is greater than the sig value of 0.05 so that the data processed in the second equation can also be said to be normally distributed. This shows that the normality test of this study has been fulfilled and is feasible to be processed to determine the magnitude of the influence of managerial ownership variables, environmental performance, and financial performance.

Source : Heterocedasticity test data processing result, 2018

Based on the table, it can be concluded that the research model used in this study is free from the problem of heteroscedasticity, because all variables are independent, which are managerial ownership, and environmental performance have a significance value of each independent variable> 0.05. So that it can be said that the distribution of research data does not occur heteroscedacity.

Source : Heterocedasticity test data processing result, 2018

Table 5. Equity 1 Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			Std. Error	Beta		
1	(Constant)	1.381	.865		1.596	.115
	KM	-.437	.777	-.329	-1.724	.084
	EP	.493	.256	.202	1.925	.058

Table 6. Equation 2 Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
			Std. Error	Beta		
1	(Constant)	5.605	3.687		1.520	.133
	KM	-5.080	3.311	-.237	-1.138	.136
	EP	.508	1.091	.052	.465	.643

Based on the table of the second equation, it can be concluded that the research model used in this study is also free from the problem of heteroscedasticity, because all variables from the independent are managerial ownership, and environmental performance has a significance value of each independent variable of> 0.05. So, it can be said that the distribution of research data does not experience heteroscedacity and is free from heterorkedasticity.

Table 7. Autocorrelation Test of Equation 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.884a	.782	.727	.27403	1.888

Source: Autocorrelation Test Data Processing Result, 2018

Using the Table Durbin-Watson value using the sig value of 0.05 with the number of samples (n) = 80 and the number of independent variables (k) = 2, the value of dU for the first equation is 1.6882 and the dL value is 1.5859. From the Table it is known that the value of Durbin-Watson is 1,888. Based on the autocorrelation test, it can be seen that the research model that has been built has met the criteria of assumptions, namely there are no positive or negative autocorrelations, and this study is free from autocorrelation problems because 1.6882 <1.888 <2.3118 describes dU <dW <4- dU so that the autocorrelation test has been fulfilled.

Table 8.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.917a	.842	.778	.08383	2.086

Source: Autocorrelation Test data processing result, 2018

Durbin-Watson table value using the sig value of 0.05 with the number of samples (n) = 80 and the number of independent variables (k) = 2, the dU value for the second equation is 1.6882 and the value of dL is 1.5859. From the table, it is known that the value of Durbin-Watson from the second equation is 2.086. Based on the autocorrelation test, it can be seen that the research model that has been built has fulfilled the criteria for assumptions, which have no positive or negative autocorrelation, and this research is free from autocorrelation problems because 1.6882 <2.086 <2.3118 describes dU <dW <4 -dU so that the autocorrelation test has been fulfilled.

Table 9. Uji Multikolineariataspersamaan 1

Model		CollinearityStatistics	
		Tolerance	VIF
1	(Constant)		
	KM	.989	1.011
	EP	.989	1.011

Source: Multicollinearity Test Data Processing Result. 2018

Based on the Table it can be seen that corporate environmental disclosure as the dependent variable from the first equation of this study shows that all independent variables consisting of managerial ownership and Environmental Performance have tolerance values of each variable> 0.10 and VIF values of each variable < 10. Thus, it can be concluded that each variable does not occur multicollinearity, and is free from multicorrelation problems.

Table 10. Equation 2 Multicolinearity Test

Model		CollinearityStatistics	
		Tolerance	VIF
1	(Constant)		
	KM	.989	1.011
	EP	.989	1.011

Source: Multicollinearity Test Data Processing Result. 2018

Based on the Table, it can be seen that financial performance as the dependent variable from the second equation of this study shows that all independent variables consisting of managerial ownership and Environmental Performance show the same results as the first equation which has a tolerance value of each variable> 0.10 and the VIF value of each variable <10, it can be concluded that each variable does not occur multicollinearity, and is free from multicorrelation problems.

Double Linear Regression Test Result:

There are two regression equations in this study, the following are the equations of the multiple linear regression model used in this study:

CED = α + β1.KM + β2.EP + εi FP = α + β1.KM + β2.EP + εi

abbreviations:

CED : *Corporate Environmental Disclosure*

FD : *FinancialPerformance*

α : Konstanta

βi : KoefisienRegresi

KM : KepemilikanManajerial

EP : *EnvironmentalPerformance*

εi :Error

Source: Determinant Coefisien Test Data Processing Result, 2018

Table 11. Determinant Coefision Test ofEquation 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.340a	.115	.092	7.14671

Based on the table, it can be concluded that the determinant (R) 2 coefficient in the first regression equation is 0.115 or 11.5%. The results of statistical calculations show that the ability of the independent variable Managerial Ownership and Environmental Performance is able to explain the variation in changes in the dependent variable, Corporate Environmental Disclosure, and is able to contribute 11.5% to the CED while the remaining is 88, 5% (100% - 11.5%) are influenced by other factors outside the regression model analyzed in this study.

Table 12. Determinant Coefisien Test ofEquation 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.307a	.094	.070	9.71834

Source: Determinant Coefisien Data Processingg Result, 2018

Based on the table, it can be concluded that the results of the determinant coefficient R Square for the second regression equation are 0.094 or 9.4%. The value of the R square determination coefficient of 0.094 means that the results of statistical calculations show that the ability of the independent variable Managerial Ownership and Environmental Performance is capable of explaining the variation in the dependent variable namely Financial Performance and being able to contribute 9.4% of the influence towards Financial Performance while the remaining 90.6% (100% - 9.4%) are influenced by other factors outside the regression model in this study.

Table 13. t-test Result of Equation 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			Std. Error	Beta		
1	(Constant)	4.315	4.025		1.072	.287
	KM	-6.466	3.614	-.193	-1.789	.078
	EP	2.875	1.191	.260	2.413	.018

Source: T-Test Data Processing etso, 2018

Based on the Table it can be concluded that the results of the t test or partial test of the first regression equation show that the calculated t value for managerial ownership variables is -1,789> -t Table (1,991) with a significance of 0.078> α (0.05) It can be said that H1 is rejected, which means that Managerial Ownership has no effect on Corporate Environmental Disclosure.

It can also be concluded that the calculated t value for the environmental performance variable is 2.413 <t Table (1.991) with a significance of 0.018 <α (0.05). It can be said that H3 is accepted which means that Environmental Performance has an effect on Corporate Environmental Disclosure.

Source:t-test Data Processing Result, 2018

Based on the table, it can be concluded that the results of the t test or partial test of the second regression equation can be concluded that the calculated t value for managerial ownership variables

Table 14. T-test of Equation Persamaan 2

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			Std. Error	Beta		
1	(Constant)	-.700	5.474		-.128	.899
	KM	-3.089	4.914	-.069	-.629	.531
	EP	4.332	1.620	.292	2.674	.009

is - 0.629> -t Table (1.991) with a significance of 0.531> α (0.05). It can be said that H2 is rejected, which means that Managerial Ownership does not affect Financial Performance.

This also can be concluded that the value of t-count for environmental performance variables is equal to 2,674 <t Table (1,991) with a significance of 0,009 <α (0,05). It can be said that H4 is accepted which means that Environmental Performance has an effect on Financial Performance.

Table 15. F-test Resultof Equation 1

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	513.011	2	256.505	5.022	.009
	Residual	3932.815	77	51.076		
	Total	4445.826	79			

Source: F-Test Data Processing Result. 2018

Based on the Table, it can be seen that the results of simultaneous tests for the first equation are calculated F-value of 5.022> F-table (3.12) with a significance of 0.009 <α (0.05). It can be said that H5 is accepted which means that Managerial Ownership and Environmental Performance simultaneously influences the Corporate Environmental Disclosure.

Table 16. F-test of Equation 2

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	754.401	2	377.200	3.994	.022
	Residual	7272.352	77	94.446		
	Total	8026.753	79			

Source: Hasil Olah Data Uji F, 2018

Based on the Table it can be concluded that the calculated F value is equal to 3.994> F-Table (3.12) with a significance of 0.022 <α (0.05). It can be said that H-6 is accepted, which also means that Managerial Ownership and Environmental Performance simultaneously influence Financial Performance.

The results of the first hypothesis (H1) indicate that Managerial Ownership has no effect on Corporate Environmental Disclosure. This proves that the percentage of management share ownership does not have an impact on the company's environmental disclosures. In this research, the largest percentage of shares of the company that is the respondent is owned by parties outside the company, and there are only a few companies whose shares are owned by management. This proves that what affects the disclosure of the company's environment is not from ownership of management, but from ownership outside the structure. This research is consistent with Ardhi (2016)research which states that managerial ownership does not affect corporate environmental disclosure, research Chang dan Zhang (2015), this study states that managerial ownership has no effect on disclosure of environmental information, (Kusumawati, 2013) states that managerial ownership variable shows that statistically does not have a significant effect on the level of disclosure of environmental responsibility.

The results of the second hypothesis (H2) indicate that Managerial Ownership does not affect financial performance. This proves that the percentage of management share ownership does not affect the company's financial performance, this is because managerial ownership is too low so that the manager's performance in managing the company is not optimal, managers as minority shareholders cannot participate actively in decision making to improve the company's financial performance will have an impact on the majority shareholders. Management that only runs its business for personal gain or minority profits only because of the low percentage of ownership of management. The results of this study are consistent with the research conducted by Ardhi (2016) stating that managerial ownership does not affect financial performance, in this study states that the percentage of shares held by management does not have an impact on financial performance. Research by Andriana and Pangabean (2017), which states that managerial ownership does not affect financial performance. Another study was also conducted by Wiranata and Nugrahanti (2013), this study also states that managerial ownership does not affect the company's financial performance.

The results of the third hypothesis (H3) show that Environmental Performance has an effect on Corporate Environmental Disclosure. This proves that companies that have good environmental performance will increase their environmental disclosures in annual reports so that the public and other parties know and this can have a positive impact on the company. There is a previous research that is consistent with research, which was carried out by Gladia and Rahardja (2013). The result states that environmental performance has an effect on corporate corporate disclosure. The research of Rohmah and Wahyudin (2015) also states that environmental performance has a significant effect on the level of corporate environmental disclosure. Kuncoro and Effendi (2016) also stated that the Company's Environmental Performance has a positive and Significant Effect on the level of Corporate Environmental disclosure.

The fourth hypothesis (H4) shows that Environmental Performance influences financial performance. This proves that environmental performance influences the company's financial performance. If the social and environmental responsibilities are good, the company will always get support from the company's stakeholders, support from the company's stakeholders will encourage the company's progress to avoid negative things that will have an impact on the company's financial statements. These results are consistent with the research conducted by Zafarina (2016), stated that Environmental performance has an effect on Financial Performance. Good environmental performance carried out by fulfilling company responsibilities is to create good relations and fulfillment of stakeholder rights, so that the activities carried out by the company have a positive impact on the company's financial performance.In his research, Chang (2013) stated that environmental performance had a negative effect on the company's financial performance.

The results of the fifth hypothesis (H5) show that Managerial Ownership and Environmental Performance have a simultaneous effect on Corporate Environmental Disclosure. This proves that managers who have high ownership will always meet the interests of stakeholders and their responsibilities to the environment. The company always strives to achieve its objectives by revealing its environmental performance in the annual report.

The results of the sixth hypothesis (H6) show that Managerial Ownership and Environmental Performance have a simultaneous effect on financial performance. This proves that a manager who has high corporate ownership will always strive to realize environmental performance well, companies with good environmental performance will influence their financial performance. This result is consistent with the research conducted by Andrianan and Pangabean (2017), which stated that managerial ownership and environmental performance have a simultaneous effect on the company's financial performance.

Conclusion

Based on the results of the research and discussion, it can be concluded that Managerial Ownership and Environmental Perfomance individually have no effect on Corporate Environmental Disclosure. However, individual Managerial Ownership and Environmental Performance variables influence Financial Performance. Meanwhile, Managerial Ownership and Environmental Performance simultaneously influenced Corporate Environmental Disclosure, and simultaneous Managerial Ownership and Environmental Performance variables also affected Financial Performance.

As a suggestion, the company should keep on reporting PROPER ratings obtained in detail in the annual report, because not all companies report their PROPER ratings everyperiod, for 2012-2016. For further researchers, it is recommended to conduct research similar to this study by adding and developing other variables outside of this study which might influence the level of disclosure of environmental responsibility.

447 (***2017***); ***Anthony*** (***2010***); ***Ardhi*** (***2016***); ***Bahri*** (***2016***); ***Chang*** (***2015***); ***dan Le Zhang Chang*** (***2015***); ***447*** (***2009***, 2013a); ***Hadi*** (***2011***); ***dan Amirullah Hermawan*** (***2016***); ***447*** (***2016***); ***Kusumawati*** (***2013***); ***dan Amalia Rizki Oktafianti*** (***2014***); ***447*** (***2015***, 2013b); ***Zafarina*** (***2016***)

References

Darlis, Edfan dan dkk. Jurnal Ekonomi Universitas Kediri. 2009; 17:3–77.

Gladia, Prima dan Surya Rahardja. Diponegoro Journal of accounting. 2013; 2(1).

Wiranata, Yulius Ardy dan Yeterina Widi Nugrahanti. Jurnal Akuntansi Keuangan. 2013; 15:1–15.

Rohmah, Ibrotul Lailatur dan Agus Wahyudin; 2015.

Kuncoro, Mochamad Agus dan Rochman Effendi; 2016.

Andriana, Abigail dan Rosinta Ria Panggabean. Company on Indonesia Stock Exchange Binus Business Review. 2017; 8(1).

dan Amalia Rizki Oktafianti D, Pengaruh Kepemilikan Manajerial, Ukuran Perusahaan, dan Keuangan terhadap Corporate Environmental Disclosure Sebagai Bentuk Tanggung Jawab Sosial Dalam Laporan Tahunan (Studi Pada Perusahaan Peserta Proper 2011-2013). Simposium Nasional Akuntansi XVIII; 2014.

dan Amirullah Hermawan S, Metodologi Penelitian Bisnis Pendekatan Kuantitatif dan Kualitatif. Malang Media Nusa Creative; 2016.

dan Vijay Govindarajan Anthony RN. Sistem Pengendalian Manajemen. Yogyakarta: UPP-AMP; 2010.

Ardhi GM. Analisis Pengaruh Managerial Ownership, Company Size, dan Environmental Performance terhadap Corporate Environmental Disclosure dengan Financial Performance sebagai Variabel Intervening (Studi Pada Perusahaan BEI Peserta PROPER 2013-2015). Jurnal Fakultas Ekonomi. 2016; dan Bisnis.

Bahri. Syaiful dan Febby Anggista Cahyani. Jurnal Ekonomi Universitas Kediri. 2016; 1:2–117.

Chang K. The Impacts of Environmental Performance and Propensity Disclosure on Facial Performance: Empirical Evidence From Unbalanced Panel Data of Heavy Pollution Industries in China. Journal of Industrial Engineering and management. 2015; 8(1).

Hadi N. Corporate Social Responsibility. Yogyakarta: Graha Ilmu; 2011.

Kusumawati T, Pengaruh Struktur Kepemilikan Terhadap Tingkat Pengungkapan Tanggung Jawab Lingkungan dalam Laporan Tahunan (Studi Empiris Pada Perusahaan yang Terdaftar Di Proper dan BEI Periode; 2013.

dan Le Zhang Chang K. The Effect of Corporate Ownership Structure on Environmental Information Disclosure Empirical Evidence from Unbalanced Penal Data in Heavy Pollution Industries in China. Wseas Transaction on Systems and Control. 2015; 10.

Zafarina RS, Pengaruh Environmental Performance Terhadap Financial Performance pada Perusahaan Manufaktur Periode 2013. Artikel Ilmiah Sekolah Tinggi Ilmu Ekonomi Perbanas; 2016.

2019 - Hermawan, Oktaviani, Biduri - The Effect of Performance

ORIGINALITY REPORT

10%	9%	9%	6%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	research-repository.st-andrews.ac.uk Internet Source	5%
2	ejournal.gunadarma.ac.id Internet Source	2%
3	Submitted to CITY College, Affiliated Institute of the University of Sheffield Student Paper	2%
4	www.ijicc.net Internet Source	2%

Exclude quotes	On	Exclude matches	< 2%
Exclude bibliography	On		