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The Role of Ownership Structure in Moderating The Relationship Between Tax Avoidance, Corporate Social Responsibility Disclosure, and Firm Value

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ABSTRACT

Purpose : The company's existence can be maintained by increasing the firms value every period, which will affect the welfare of investors. This study aims to examine and analyze the effect of tax avoidance, corporate social responsibility disclosure on firm value with managerial ownership as a moderating variable.
Method : This study uses a sample of mining companies listed on the Indonesia Stock Exchange for 2016-2019. In this study, tax avoidance uses the Effective Tax Rate proxy, and corporate social responsibility disclosure uses the Corporate Social Responsibility Index. Firm value is measured using Tobin's Q, and ownership structure as a moderating variable is measured by managerial and institutional ownership proxies.
Findings : The results showed that tax avoidance and corporate social responsibility disclosure had no effect on firm value with firm size and capital intensity as control variables. Managerial ownership and institutional ownership significantly impact the relationship between tax avoidance and firm value with firm size and capital intensity as control variables. Managerial ownership and institutional ownership have no significant effect in moderating the relationship between corporate social responsibility disclosure and firm value with firm size and capital intensity as control variables.
Novelty : The research used institutional ownership and managerial ownership as part of ownership structures to moderate the relationship between tax avoidance, corporate social responsibility disclosure, and firm value.

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INTRODUCTION

Every company has a normative goal to maximize the value of the company. One of the things investors consider in investing is the value of the company where the investor will invest (Ernawati & Widyawati, 2015). The higher the value of a company, the higher the prosperity of shareholders (Sartono, 2012). The high level of investors' prosperity attracts other investors to invest in companies that can increase firm value (Apsari & Setiawan, 2018).

In terms of increasing the firms value, the company faces various obstacles, such as the obligation to pay taxes (Ardillah & Vanesa, 2022b). Taxes are a critical source of state revenue in supporting state expenditure financing (Ardillah & Halim, 2022a). Almost every country in the world collects taxes from its citizens. The company's efforts to minimize its tax burden are called tax planning by exploiting the gray area of taxation rules by taking advantage of existing regulatory loopholes in tax provisions (Kurniawan, 2018).

PT. Adaro Energy (Tbk) is one of the companies engaged in the mining sector and has recently been rumored to be experiencing tax avoidance cases. Adaro Energy (Tbk) has made substantial profits in its overseas companies in Singapore and Mauritius. These offshore companies collect some of the profits from the coal trade and manage their investments in coal mines in Australia. This action is reported to have succeeded in reducing taxes by 125 million US dollars or around 14 million US dollars per year, or equivalent to 1.7 trillion rupiahs. In 2017, a new company entered the PT Adaro Energy Tbk group of companies, namely Adaro Capital, whose territory is in a tax haven in

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Labuan, Malaysia. PT Adaro Energy Tbk uses a tax haven country or region that sets low tax rates to store all assets and funds owned by the company (Sari et al., 2022). Despite the reported indications of fraud in tax evasion, PT Adaro Energy Tbk has carried out many corporate social responsibility disclosure activities. It is evidenced by the success of PT Adaro Energy Tbk in winning many corporate social responsibility awards in 2021, which shown that PT Adaro Energy Tbk has become the top leader companies on CSR commitment (Adaro, 2022).

Tax avoidance activities create opportunities for management to carry out activities designed to cover up bad news or mislead investors (Desai & Dharmapala, 2006). One of the efforts to reduce the negative impact is the company's corporate governance mechanism. In tax avoidance, implementing suitable corporate governance mechanisms, especially ownership structure, can reduce the risk of abuse by managers (Ariff & Hashim, 2014). In agency theory, conflicts of interest between the owner of the company (principal) and manager (agent) arise with information asymmetry. The implementation of ownership structure in the company provides value according to the view of shareholders (Dwiridotjahjono, 2009).

Corporate social responsibility disclosure is a company's dedication to social needs of the community for surrounding environment by paying attention to economic, social, and environmental aspects in a sustainable manner (Fanisa et al., 2020). Interaction from other parties will help the company carry out corporate social responsibility activities properly (Mardikanto, 2014). Thus, even if the company has to spend a lot of money, it will still fulfill its social responsibility (Chen, 2018). The corporate social responsibility changed the point of view that initially started from a single bottom line to a triple bottom line (Irwansyah et al., 2017). Corporate social responsibility disclosure has become one of the means of survival and material consideration in investing (Lindawati & Puspita, 2015; Hardika, 2018).

The results of Nugroho & Agustia's research (2017) show that institutional ownership doesn't influence the firm value, while tax avoidance have significant effect to firm value. The research results from Apsari & Setiawan (2018), Andayani & Yanti (2021), and Oanh & Gan (2022) state that tax avoidance positively impacts firm value. In contrast to Inanda, et al. (2018) and Wardani, et al. (2022), which state that tax avoidance by companies does not affect firm value. Ardillah (2018), Sugiyanto, et al. (2021), Firmansyah, et al. (2021), Ooi, et al. (2021), Firmansyah, et al. (2021), and Ardillah & Chandra (2021b) state that corporate social responsibility affect firm value, while Kushariani, et al. (2019), Bawai & Kusumadewi (2021), and Ardillah & Thenia (2021a) state that corporate social responsibility have insignificant effect to firm value. The results of Ariff & Hashim & (2014)'s research stated that corporate governance couldn't influence the relationship between tax avoidance and firm value.

The novelty of this study is the usage of institutional ownership and managerial ownership as part of ownership structures as a moderating variable. The purpose of this study is to determine the effect of tax avoidance and corporate social responsibility disclosure on firm value with company size and capital intensity as control variables. This study also analyse the role of institutional ownership and managerial ownership in moderating the relationship between tax avoidance and firm value with company size and capital intensity as control variables. The inconsistent results of previous studies and different analyses result became one of the motivations for conducting this research.

Agency theory explains that the contract that occurs between the owner of the company (principal) and the manager (agent) aims to decide to run the company (Jensen & Meckling, 1976). The owner will reward the manager and provide direction if the manager's business in running the company is considered good (Desai & Dharmapala, 2006). Tax planning related to agency theory can be a complex activity to create managerial opportunism (Lestari & Wardhani, 2015). One of the efficiency measures taken is to reduce the tax burden borne by the company by reducing taxable income and transparency (Wanami & Merkusiwati, 2019; Khaoula & Moez, 2019). The distribution of profits by reducing tax liability can increase tax-saving benefits and the welfare of the owners, which will increase the value of the company's shares (Apsari & Setiawan, 2018; Mukhlasin, 2020). Tax avoidance by the company to minimize the company's tax burden can increase the company's profit which shows the company has an excellent performance to increase the firm value. It is evidenced by the studies conducted by Herdiyanto & Ardiyanto (2015), Apsari & Setiawan (2018), Timothy et al. (2020), and Vu & Le (2021), showing that tax avoidance affects firm value.

H_1: Tax avoidance has a positive effect on firm value

In general, corporate social responsibility is disclosed in the company's annual report. Companies with good environmental and social performance will respond positively to investors. It can be seen from corporate social responsibility activities, which play an essential role in increasing the value of the company. Based on the stakeholder theory, the companies always try to create harmony between firm values and social norms in the surrounding social environment, where the company is part of the social environment (Dowling & Pfeffer, 1975; Aryatama & Raharja, 2021). Therefore, the community is one of the stakeholders that the company also includes. With the community's support as stakeholders, the existence and sustainability of the company can last a long time (Mardikanto, 2014). Thus, with the corporate social responsibility disclosure, it is hoped that the relationship between stakeholders and the company can become better and stronger. Ogachi & Zoltan (2020), Putri, et al. (2020), Fauziah & Sukoharsono (2020), Anggraeni & Hastuti (2020), and Machmuddah et al. (2020) state that corporate social responsibility disclosure positively affects firm value.

H_2: Corporate social responsibility disclosure has a positive effect on firm value

The ownership structure arises because of the separation between the owner and the manager of the company, which often causes agency problems (Elly et al., 2016). Corporate governance is expected to minimize excessive tax avoidance as a system that monitors or controls (Anggoro & Septiani, 2015). The practice of tax avoidance must be within reasonable limits and does not violate the applicable tax rules. The majority shareholder of an institutional company often sacrifices the interests of other shareholders. For management, higher profits affect the amount of taxes paid by the company and company's financial performance (Fiandri & Muid, 2017). Based on agency theory, the shareholders want to increase the firm value by promising compensation to the manager to increase the company's performance (Rakayana et al., 2021). Therefore, the high tax rates charged to companies can make management look for ways to reduce the taxes paid and maximize profits because there was the demand for increasing firm value (Arsyad & Sodiq, 2014).

According to agency theory, shareholders are oriented towards high returns, and management of the company tries to get compensation for their performance (Jensen & Meckling, 1976). When managers do not own a small number of shares in the company, their actions are dominated by their self-interest. The management doesn't need to increase the firm value to meet the interest of the shareholders. The managers that have owned a part of a large number of shares have their responsibility to align their interests with the interests of shareholders in increasing firm value (Alzoubi, 2016). But an ultimately high proportion of managerial ownership can increase the risk for companies because the management can take decisions to make risky investments to increase the company's profit and to reach their goals, they can do the tax avoidance practices (Rego & Wilson, 2011; Cabello et al., 2019). Yee, et al. (2018), Anggraeni & Hastuti (2020), and Tanko et al. (2022) state that ownership structure can moderate the relationship between tax avoidance and firm value.

H_3: Institutional ownership can moderate the relationship between tax avoidance and firm value

H_4: Managerial ownership can moderate the relationship between tax avoidance and firm value

The corporate social responsibility disclosure practice is a logical consequence of implementing the concept of corporate governance. Corporate social responsibility is implementing corporate governance principles by having good corporate governance. The higher the social disclosure carried out so that the company's performances can be increased and become an added value for investors (Utomo, 2000). Ownership structures can be used as infrastructure to support corporate social responsibility practices and disclosures because they can reduce the occurrence of information asymmetry (Nahda & Agus, 2011). The companies can create deeds for stakeholders by giving the ownership benefit to management to disclose higher level of disclosure based on stakeholder theory and maintain the continuity of value-added activities. Thus, the ownership structure mechanism will help regulate and control the company to create firm value (Worokinasih & Zaini, 2020). Worokinasih & Zaini (2020) state that ownership structure can moderate the relationship between corporate social responsibility disclosure and firm value.

H_5: Institutional ownership can moderate the relationship between corporate social responsibility disclosure and firm value

H_6: Managerial ownership can moderate the relationship between corporate social responsibility disclosure and firm value

RESEARCH METHODS

The research design was determined based on the objectives and hypotheses (Creswell, 2016). This research is a type of causal-comparative research which is one of the types of quantitative research. The quantitative method is based on the philosophy of positivism aimed at describing and testing hypotheses made by researchers. The quantitative analysis contains many numbers ranging from collection, processing, and results dominated by numbers (Sugiyono, 2018). This research takes data sourced from the Indonesia Stock Exchange website. The data used is secondary data, and the method used is the documentation method. In addition, literature studies are also carried out, namely by reviewing literature and reviewing literature such as journals, both national and international journals. The population in this study were all Indonesian mining companies listed on the Indonesia Stock Exchange (IDX) from 2016 to 2019, so that a population of 49 companies was obtained.

This study uses a non-probability sampling technique, namely purposive sampling. Purposive sampling is a technique that considers specific criteria (Sujarweni, 2018). In this study, the sample used by the author is a company engaged in the mining sector in the list of public companies listed in the Indonesia Stock Exchange from the 2016 to 2019 period. The mining companies were chosen as the sample because only 30 percent of the 40 large mining companies have adopted tax transparency reporting in 2020. While the rest, their tax reports are not yet transparent and do not fully comply with the government's tax provisions and other levy provisions (Price Waterhouse Coopers, 2021). The criteria used in this study are determined such as (1) mining companies listed on the Indonesia Stock Exchange from 2016 to 2019 in a row; (2) companies that regularly publish financial reports and annual reports

Table 1. Research Sampling Selection Criteria

No.	Criteria	Total
1.	Mining companies listed on the Indonesia Stock Exchange from 2016-2019	49
2.	Mining companies that haven't been listed on the Indonesia Stock Exchange from 2016 to 2019 in a row	(6)
3.	Mining companies that haven't regularly published financial reports, annual reports, and sustainability reports from 2016 to 2019 in a row	(6)
4.	Companies that did not experience loss from 2016 to 2019 in a row	(4)
5.	Companies that display financial statements in a currency other than the rupiah	(14)
	Number of company sample data per year	19
	Total company sample data for four years	76

from 2016 to 2019; (3) companies that did not experience extraordinary events during 2016 to 2019; and (4) companies that had published financial statements in the rupiah currency.

The purposive sampling method used resulted in 19 companies matching the criteria contained in this study with 76 data used in the research period from 2016-2019. The following are the results of the sample selection procedure formulated in table 1.

Firm value is the investor's perception of the company's level of success which is often associated with stock prices. The firm value as the dependent variable is measured by Tobin's Q formula, wherein the formula provides a view of a condition of investment opportunities owned by the company or the company's growth potential. Firm value is also a reflection that shows the equity and book value of the company, both in the form of the market value of equity, the book value of total debt, and the book value of total equity. The formula used to measure firm value is shown by equation 1 (Lastanti, 2014).

$$Tobin's Q = \frac{(EMV + D)}{(EBV + D)} \quad (1)$$

Tobin's Q = Firm Value
EMV = Equity Market Value
EBV = Equity Book Value
D = Total Liabilities

Tax avoidance is an attempt by the company to reduce or minimize the company's tax burden within applicable taxation rules (Aryatama & Raharja, 2021). The proxies used to measure tax avoidance are the Effective Tax Rate proxy. Effective Tax Rate can capture all forms of tax deduction from the impact of temporary differences through legal loopholes (Halnlon & Heitzman, 2010; Dyreng et al., 2017). This proxy measures tax avoidance by calculating the total income tax expense divided by profit before taxes. The ETR calculation formulated is shown by equation 2.

ETR = Income Tax Expense / Net Income Before Tax..........(2)

Corporate social responsibility is one part of the company's business strategy in the long term. This study uses the Corporate Social Responsibility Index based on the Global Reporting Initiatives 4.0 and Global Reporting Initiative Guidelines 102-55. Based on CSRI, there are 91 measurement items in Global Reporting Initiatives 4.0 and 85 items in Global Reporting Initiative Guidelines 102-55. It is classified into six indicators such as economic performance indicators, environmental performance, labor practice performance, human rights performance, social performance, and product responsibility performance indicators (Sulistyaguna et al., 2021).

The results from CSRI can be achieved with these steps. First, make a list of social disclosures. The list is compiled in the form of a list of disclosure items in which each item is provided with an answer regarding the status of its disclosure in the relevant report. Second, determine the social disclosure index for the company based on the list of social disclosures. Determining this index is done in the following way where a disclosure item is given a score of 1 if it is disclosed and 0 if it is not disclosed. The scores obtained are added up to get the total score and the index calculation is done by dividing the total expected score. CSRI can be formulated systematically by equation 3.

$$CSRI_j = \frac{\sum X_{ij}}{n_j} \quad (3)$$

CSRIj: Corporate Social Responsibility Disclosure Index j in a company
Nj: Total number of items

Xij: Number of items disclosed by company j

The ownership structure is defined as a process, a system, a regulation that regulates the relationship between various parties to achieve common goals. The measurement of ownership structure is proxied by managerial ownership and institutional ownership. Shareholders who have a position in the company's management are referred to as managerial ownership. The number of share ownership measures managerial ownership by the company's management to the total outstanding shares (Rakayana, et al., 2021). The managerial ownership can be formulated in equation 4.

MANJ = Total Owned Shares by Management / Total Outstanding Shares..(4)

Institutional ownership can be derived from the proportion of ownership of company shares by nonbank institutions (Kushariani et al., 2019). Institutional ownership is seen as a corporate governance mechanism to improve the company's supervisory function. A company can increase institutional ownership to pressure the company to continue implementing better corporate governance as desired by institutional investors (Yuwono & Aurelia, 2021). The institutional ownership can be formulated in equation 5.

INST = Share Owned by The Institution / Total Shares Owned by The Company...................................(5)

Company size can be defined as the size of a company in terms of total net income, the number of employees, total assets, the market value of shares, and total capital. Measurement of company size in this study is proxied by total assets. The author uses a natural logarithm to transform the entire asset value to better predict data variation (Nurwulandari et al., 2021). The formula is shown by equation 6.

SIZE = Ln (Total Assets)..(6)

Capital intensity is defined as the proportion of capital invested in the company's fixed assets. Capital intensity can reflect how much money is needed to generate income. The company's investment can be realized by the total fixed assets capitalization that has been carried out through depreciation expense for fixed assets. A company's capital intensity is usually measured using the ratio of the total amount of fixed assets divided by a total asset (Oktaviani et al., 2021). The formula si shown by equation 7

Capital Intensity = Total Fixed Asset / Total Asset.. (7)

The data analysis method used in this study is moderated regression analysis. Moderated Regression Analysis (MRA) is a particular application of multiple linear regression where the regression equation contains elements of interaction (multiplication of two or more independent variables) (Sugiyono, 2018). This moderation analysis test is used to estimate the value of firm value based on the tax avoidance and corporate social responsibility disclosure with company size and capital intensity as control variables multiplied by institutional ownership, as well as the estimate of the change in the firm value based on the tax avoidance corporate social responsibility disclosure with company size and capital intensity as control variables multiplied by managerial ownership. The regression model equation in this study use the alpha significance of 0.1 and can be written in equation 8.

$$TOBINSQ = \alpha + \beta_1 TA + \beta_2 CSRD + \beta_3 SIZE + \beta_4 CAPIN + \beta_5 INST*TA + \beta_6 INST*CSRD + \beta_7 MAN*TA + \beta_8 MAN*CSRD \quad (8)$$

RESULTS AND DISCUSSIONS

The results of the analysis on tax avoidance show the results of descriptive statistical analysis with a minimum value of 0.0580 at PT Darma Henwa Tbk in 2019, then the maximum value of 1.113 in 2017 at PT Medco Energi Internasional Tbk in 2019, while the average value of the companies that are the sample of this study has a numerical value of 0.3677. The average value is higher than the minimum value. It indicates that the sample of this study tends to have a high level of tax avoidance, and the standard deviation has an error value of 0.1836.

Corporate Social Responsibility Disclosure is calculated by dividing the number of items disclosed by the company by the total number of items based on the corporate social responsibility disclosure with a minimum value of 0.09 at PT Baramukti Suksessarana Tbk in 2016. The maximum value of corporate social responsibility disclosure of 0.38 in 2017 at PT Aneka Tambang Persero Tbk, while the mean value of the companies that are the sample of this study has a numerical value 0.2438. The mean value is correct in the middle between the minimum and maximum values. It shows that the data distribution is well distributed, and the standard deviation has an error value of 0.068.

The analysis uses descriptive statistics on the ownership structure proxied by institutional and managerial

Table 2. Hypothesis Test

Variables	Coefficient	Sig. Value
(Constant)	0.209	0.942
Tax Avoidance (TA)	8.447	0.073
Corporate Social Responsibility Disclosure (CSRD)	-14.826	0.153
Company Size (Size)	-0.112	0.006
Capital Intensity (CAPIN)	2.102	0.035
Institutional Ownership (INST)*Tax Avoidance	-10.889	0.098
Institutional Ownership*Corporate Social Responsibility Disclosure	21.334	0.116
Managerial Ownership (MAN)*Tax Avoidance	-36.314	0.002
Managerial Ownership*Corporate Social Responsibility Disclosure	30.802	0.364

ownership. The results show that the minimum value of institutional ownership is known to be 0.28. Then the maximum value of institutional ownership is 0.97. In comparison, the average value of the institutional ownership has a numerical value of 0.6773. The average value is more than the minimum value than the maximum. It shows that the sample of this study tends to have a high level of institutional ownership, and for the standard deviation value, it has an error value of 0.2027. The results show that the minimum value of managerial ownership is known to be 0. Then the maximum value of managerial ownership is 0.9560. In comparison, the average value of managerial ownership has a numerical value of 0.1082. The average value is closer to the minimum value than the maximum. It shows that the sample of this study tends to have a low level of managerial ownership, and for the standard deviation value, it has an error value of 0.2297.

The descriptive statistical analysis results on the firm value calculated using Tobin's Q formula show that the minimum value was 0.568 at PT Dian Swastatika Sentosa Tbk in 2016. The maximum value was 4.386 at PT Bayan Resources Tbk in 2018. The average value of the companies that are the sample of this study has a numerical value of 1.327. The average value is closer to the maximum value. It shows that the sample of this study tends to have a high level of firm value, and the standard deviation value has an error tolerance value of 0.7331.

One-Sample Kolmogorov Smirnov showed a significant value below 0.1, so the data was not normally distributed. In figure 4.3, it is known that the data using the Kolmogorov Smirnov One Sample are normally distributed because the significance value is > 0.1, which is 0.2. The multicollinearity test based on the tolerance value is below 0.1, and the variance inflation factor (VIF) value is above 10. It can be proven that there is no multicollinearity in a regression model. Heteroscedasticity test significance values based on the glejser test for tax evasion, the disclosure of social responsibility, and the firms value is more than 0.1. Thus it can be concluded that the regression model does not indicate heteroscedasticity. The Durbin–Watson value in the autocorrelation test is 0,869. The D-W number is between -2 to +2, meaning that the regression model used does not have an autocorrelation problem.

The coefficient of determination (Adjusted R-Square) value obtained 0,576 or 57.6 %. In this case, it can be concluded that the significant influence of tax avoidance and corporate social responsibility disclosure on firm value which this model can explain, is 57.6%. The remaining 42.4 % is explained by other variables not included in this research model. By looking at table 2, the moderating regression analysis equation is shown by equation 9.

$$TOBINSQ = 0.209 + 8.447\ TA - 14.826\ CSRD - 0.112\ SIZE + 2.102\ CAPIN - 10.889\ INST*TA + 21.334\ INST*CSRD - 36.314\ MAN*TA + 30.802\ MAN*CSRD \quad (9)$$

It can be concluded that the result of this research can be shown as follows. The analysis results to determine the effect of tax avoidance on firm value obtained a significance of 0.073 < 0.01, then Ha1 is rejected because the coefficient shows positive value that means tax avoidance decreases firm value. The analysis results to determine the effect of corporate social responsibility disclosure on firm value obtained a significance of 0.153 > 0.1, then Ha2 is rejected because the significance value exceeds 0.05. It can be concluded that corporate social responsibility disclosure does not affect the firm value.

The analysis results to determine the effect of institutional ownership in moderating the relationship between tax avoidance and firm value obtained a significance of 0.098 < 0.1, then Ha3 is accepted because the significance value is below 0.1 with negative coefficient. It can be concluded that institutional ownership can moderate negatively the relationship between tax avoidance and firm value. The analysis results to determine the effect of institutional ownership in moderating the relationship of corporate social responsibility disclosure and firm values obtained a significance of 0.116 > 0.1, then Ha4 is rejected because the significance value is more than 0.1. It can be concluded that institutional ownership can't moderate the relationship between corporate social responsibility disclosure and firm value.

The analysis results to determine the effect of managerial ownership in moderating the relationship between tax avoidance and firm value obtained a significance of 0.002 < 0.1, then Ha5 is accepted because the significance

value is below 0.1 with negative coefficient. It can be concluded that managerial ownership can moderate negatively the relationship between tax avoidance and firm value. The analysis results to determine the effect of managerial ownership in moderating the relationship of corporate social responsibility disclosure and firm values obtained a significance of 0.364 > 0.1, then Ha6 is rejected because the significance value is more than 0.1, so it can be concluded that managerial ownership can't moderate the relationship between corporate social responsibility disclosure and firm value.

The Effect of Tax Avoidance on Firm Value

Tax avoidance has a positive and significant effect on firm value, so the first hypothesis (H_1) proposed in this study is statistically rejected. The results of this study are in line with the results of Nugroho & Agustia (2017), Apsari & Setiawan's (2018), Andayani & Yanti (2021), and Oanh & Gan (2022)'s research, which states that tax avoidance affect significantly to firm value. Agency theory explains that the contract that occurs between the owner of the company (principal) and the manager (agent) aims to decide to run the company (Jensen & Meckling, 1976). As a reward for the manager, the owner will provide direction if the manager's business in running the company is considered good (Desai & Dharmapala, 2006). Therefore, one of the efficiency measures taken is to reduce the tax burden borne by the company (Wanami & Merkusiwati, 2019).

The agency theory states that tax avoidance can affect the firm value is predicted because taxation can increase the possibility of management meeting their interest to generate profits by the company. By generating more profit, the management can attract investors to invest, which can increase firm value. The distribution of profits in the form of dividends increases the welfare of the owners, which will increase the value of the company's shares (Apsari & Setiawan, 2018). Tax avoidance can be utilized to minimize the company's tax burden by increasing the company's profit to show that the company has an excellent performance to increase the firm value. However, almost some of the sample companies do tax avoidance by not paying taxes in the research period. But the possibility of this practices that can be done by the company can make the firm value decrease because this practice can make irrational decision for investor to keep the share in longer period.

The Effect of Corporate Social Responsibility Disclosure on Firm Value

Corporate social responsibility disclosure does not affect the firm value because the second hypothesis (H_2) proposed in this study is statistically rejected. The results of this study are in line with the results of research by Ardillah (2018), Kushariani, et al. (2019), Bawai and Kusumadewi (2021), and Ardillah & Thenia (2021a). In general, corporate social responsibility is disclosed in the company's annual and sustainability report. The companies with good environmental and social performance will respond positively to investors through increasing stock prices and play essential role in increasing the value of the company. The company does not only focus on its interests but also on the interests of stakeholders. With the community's support as stakeholders, the existence and sustainability of the company can last a long time (Mardikanto, 2014). The legitimacy theory, which states that corporate social responsibility disclosure can affect the value of a company is not predicted.

The company is running well because of the support and good relations with the environment and the surrounding community. However, this statement is not supported by the results of this study. While the disclosure of corporate social responsibility disclosure is only another consideration used to understand the company's activities that have been done for either investors or creditors, corporate social responsibility disclosure will have an impact on the future of the company rather than directly affect the firm values. The evidence in the sustainability report for corporate social responsibility activities is only to meet the established standards by the government. There was no government regulation to regulate the disclosure of corporate social responsibility that carried out by the company (Bawai & Kusumadewi, 2021). Thus, with the corporate social responsibility disclosure, the relationship between stakeholders and the company was still the same.

The Effect of Ownership Structure in Moderating the Relationship between Tax Avoidance and Firm Value

Institutional ownership and managerial ownership can moderate negatively the relationship between tax avoidance and firm value because the third and fifth hypothesis (H_3 and H_5) proposed in this study is statistically accepted. The ownership structure in the company has an essential role in agency problems. Insider ownership and outsider ownership can cause anguish problems and potentially reduce agency problems in the company (Rakayana et al., 2021). The ownership structure arises because of the separation between the owner and the manager of the company, which often causes agency problems (Elly et al., 2016).

In agency theory, it is explained that information asymmetry often occurs between company owners (principals) and company managers (agents). Managerial or institutional ownership is needed to mitigate the issues that arise between the owner and the management of the company. Managerial or institutional ownership can be served to minimize excessive tax avoidance and increase the firm value (Anggoro & Septiani, 2015). Within the company's scope, the emergence of information asymmetry makes the relationship between the two parties unsuitable. However, suppose the owner of the company and the manager have a good relationship. In that case, the company's main

shareholder can give the managerial ownership as compensation for the manager, and the manager will increase their responsibility in managing a company, including reducing risk in tax avoidance activities. The establishment of a good relationship will also impact increasing managerial ownership in the company, which can help improve the firm value.

The practice of tax avoidance is still within reasonable limits and does not violate the applicable tax rules. The majority shareholder of an institutional company often sacrifices the interests of other shareholders. For management, higher profits can affect the amount of taxes that must be paid by the company and affect company performance (Fiandri & Muid, 2017). Based on agency theory, the shareholders want to increase the firm value by promising compensation to the manager to meet the company's performance (Rakayana et al., 2021). The higher tax rates charged to companies can make management look for ways to reduce the taxes paid to minimize expenses and maximize profits because there was the demand for increasing firm value (Arsyad & Sodiq, 2014). The institutional ownership with the biggest controlling portion of the shares owned by the company as shareholders based on agency theory can control the firms and make the demand to the management to increase the company's performance. The institution as controlling shareholders can limit the management's dysfunctional behaviour, especially in tax avoidance practices, and encourage managers to focus on achieving the target determined by shareholders to increase firm value.

The Effect of Ownership Structure in Moderating the Relationship of Corporate Social Responsibility Disclosure to Firm Value

Institutional ownership and managerial ownership can't moderate the relationship between corporate social responsibility disclosure and firm value because the fourth and sixth hypothesis (H_4 and H_6) proposed in this study is statistically rejected. The stakeholder theory explains that the running of a company's activities cannot be separated from the interaction and support between the company and other parties. The companies need to have a good relationship with external parties to achieve long-term profits owned by the company. Corporate social responsibility disclosure can be easier to do if the company's relationships with stakeholders are well established. By implementing ownership structure, the company management, commonly known as the management, can also disclose corporate social responsibility activities determined by company standards to increase the firm value. The higher level of institutional ownership can't directly improve supervisory task function to make a higher level of corporate social responsibility disclosure. The higher level of managerial ownership actually can't make the management feel the company because the management has own motivation and satisfaction, so the management have no need to give their best effort to increase firm value by disclosing more corporate social responsibility activities than need to do as mandatory disclosure.

CONCLUSIONS

From the results of data analysis, classical assumption test, hypothesis testing, and interpretation of the results, the following conclusions can be drawn. Tax avoidance does not affect firm value. The results of this study indicate that the company's condition has no relationship with increasing or decreasing firm value. Corporate social responsibility disclosure does not affect firm value. The study results suggest that higher corporate social responsibility disclosures that are carried out regularly or are still far below the standards that have been set will have no relationship to firm value. Institutional ownership and managerial ownership can moderate the relationship between tax avoidance and firm value. The study results indicate that the increase in the firm value and the reduced risk of tax avoidance can occur because of a good relationship between the owner of the company (principal) and the company manager (agent) through ownership structures such as institutional and the managerial ownership. Institutional ownership and managerial ownership cannot moderate the relationship between corporate social responsibility disclosure and firm value. The study results stated that the higher ownership structure couldn't make more disclosure of corporate social responsibility activities to be carried out well, so it can have no impact on the firm value.

There are several suggestions in this study that can be used for company and further research. A company is expected to perform and report financial information more fully and systematically by using managerial ownership and institutional ownership to reduce tax avoidance practices that the company's management had done. If the next researcher can have more than 1 (one) measurement, that will add different results to support the assumptions of the research conducted. It is also recommended to add years to obtain more samples and decrease the statistical program's outliers. This research has limitations that require improvement in the following study. The research population used is limited to mining companies that only slightly represent all companies listed on the Indonesia Stock Exchange. The data collection period is only for four years, from 2016-2019, and does not yet represent the entire mining companies' data published on their site.

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