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The Effect of Sustainability Reporting Disclosure and Liquidity on Company Value with Ownership Concentration Variables as Moderating

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Abstract

The high and low stock prices indicate the level of success of the management of a company. Changes in stock prices will cause gains or losses that reflect the value of a company. This study aims to prove empirically the factors that can affect firm value, namely the disclosure of sustainability reporting and liquidity. The novelty of this research is to test whether the concentration of ownership can moderate the effect of sustainability reporting and liquidity on firm value. The data used in this study is panel data of 37 companies listed on the Indonesia Stock Exchange for the 2016-2020 period. Data processing is done with WarpPLS 0.8. The results showed that the disclosure of sustainability reporting has no effect on firm value, while liquidity had a positive effect on firm value.

Keywords
sustainability reporting; liquidity; firm value; ownership concentration; leverage; company size

I. Introduction

Firm value is the performance of a company which is reflected in the stock price resulting from the supply and demand of the capital market and reflects the general perception of the company's performance (Harmono, 2009; RP Sari, 2020). Score in a company is basically an important point that investors must pay attention to when investing, because the high value of a company is a direct indication that the condition of the company is in good condition and can generate wealth for investors. In this case, the shareholders will trust the company and are interested in investing their capital in the company. In the end, investor confidence can be the most effective tool to boost a company's stock price. On the other hand, if a company does not have a good ability to make profits, investors will hesitate or hesitate in investing in their shares. This doubt is a serious trigger in the decline in stock prices, so that the value of the company also decreases (Nur, 2019; Setyawati et al., 2021; Digdowiseiso, 2021; Digdowiseiso & Agustina, 2022; Digdowiseiso & Santika, 2022; Digdowiseiso & Putri, 2022). Thus, it is important to examine the factors that affect firm value. The higher the company's leverage, the company tends to generate less cash, this is likely to affect the occurrence of earning management. Companies with high debt or leverage ratios tend to hold their profits and prioritize the fulfillment of debt obligations first. According to Brigham and Ehrhardt (2013), the greater the leverage of the company, it tends to pay lower dividends in order to reduce dependence on external funding. So that the greater the proportion of debt used for the capital structure of a company, the greater the number of liabilities that are likely to affect shareholder wealth because it affects the size of the dividends to be distributed. (Yanizzar, et al. 2020)

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In recent years, sustainability reporting (Sustainability Reporting) has become an important issue in the development of the business world. The concept arises from people's expectations about the company's role in society. This need stems from many environmental and humanitarian tragedies around the world, including: Minamata (Japan), Bhopal (India), Chernobyl (Soviet Union), Shell (Nigeria). Similar incidents have occurred in Indonesia, such as hot mud floods caused by oil and gas company Lapindo Brantas Inc. (Novia & Halmawati, 2022).

Sustainability Reporting was first introduced in 1997 by the Global Reporting Initiative (GRI). GRI has also published standards that will be used as guidelines for developing sustainability reports. According to Elkington & Rowlands (1999), Sustainability report provides information on financial and non-financial performance related to social and environmental activities that strengthen the sustainable growth of a company. Meanwhile, according to GRI (2016), sustainability reporting is the application of notification to internal and external stakeholders regarding the economic, environmental and social effects, contributing company information for sustainable development goals (DK Sari & Wahidahwati, 2021). Both determine the financial performance, non-financial and corporate responsibility in the categories of economic (profit), social (people) and environmental (planet) (DK Sari & Wahidahwati, 2021).

Indonesia made a sustainability report in 2005 through the National Center for Sustainability Reporting (NCSR). Sustainability reporting can also be used to determine the organization's contribution to achieving the Sustainable Development Goals (SDGs). Since 2015, the SDGs have become a sustainable global agreement. However, in practice in Indonesia, there are still many companies that are reluctant to publish sustainability reports, this indicates the failure of the Sustainable Finance Roadmap issued by the Financial Services Authority (OJK) (Amidjaya & Widagdo, 2019; Arrokhman & Siswanto, 2021).

To support the implementation of sustainability reporting, in 2017 OJK issued Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance by Financial Service Institutions, Issuers, and Public Companies. Financial Services Institutions, Issuers, and Public Companies are required to publish the Sustainability Report as referred to in Article 10 paragraph (1) (Financial Services Authority, 2017).

The sustainability report can provide information regarding the company's sustainability report, which is divided into three indicators, namely economic indicators, social indicators and environmental indicators. Several studies have shown that the indicators reported in the sustainability reporting will affect the value of the company. This is because stakeholders can see how the company's approach and performance is sustainable in many aspects, especially those related to aspects of creating corporate value, especially in the economic, social and environmental fields. Thus, the release of the sustainability report will affect investors' reactions to the company, which in turn will increase the value of the company (Latifah & Luhur, 2017; Sawitri & Setiawan, 2019).

The next factor that can affect the value of the company is liquidity (Digdowiseiso et al., 2022a; Digdowiseiso et al., 2022b; Digdowiseiso et al., 2022c). Liquidity is the ability of a company to meet short-term financial obligations or make payments immediately (Riyanto, 2001; IAPT Dewi & Sujana, 2019). From the creditor's point of view, high liquidity indicates that the company is in a good position, because it is likely to be able to fulfill its obligations to creditors in a timely manner. The company's ability to meet its financial obligations in a timely manner means that the company is liquid and the company has payment media or assets that exceed its current liabilities. Creditors can also use a company's liquidity to determine whether the company is good or bad. If a creditor thinks the company is good, then it increases the creditor's interest in the company's shares (Meini et al., 2018; May, 2020; RP Sari, 2020).

The high and low value of the company is also inseparable from how the supervisory environment exists in the company. Companies with concentrated or unconcentrated shareholdings are more or less expected to affect the company's management performance. Concentrated ownershipis the ownership held by the largest shareholder. Controlling shareholders prevent managers from acting in their own interests, so highly concentrated ownership can improve financial performance (Feng et al., 2018). Concentrated ownership provides better management power and oversight and is less likely to impose opportunistic features that could harm shareholders, such as withholding or not disclosing environmentally and socially relevant information (Barung et al., 2018; Sidiq et al., 2021). In contrast to previous studies, this study will consider the concentration of ownership as a determinant of whether Sustainability Reporting and liquidity will have a stronger influence on firm value.

II. Review of Literature

Along with the development of the era, the sustainability report has become a report that must be issued in accordance with the regulations issued by the Financial Services Authority in 2017. By issuing a sustainability report, the company is reviewed as a form of accountability and transparency to stakeholders who believe they can deliver added value to the company. Companies that benefit a lot from implementing sustainability reports make the company more desirable by investors and increase consumer interest in products (Gunawan & Mayangsari, 2015; Sari & Wahidahwati, 2021). This is in accordance with research conducted by Siregar & Safitri (2019), Pujiningsih (2020) as well as Natalia & Soenarno (2021) which states that the disclosure of the sustainability report has an influence on the value of the company. This reflects the level of responsibility and transparency made to investors and other stakeholders. Thus, the authors hypothesize H1: Disclosure of sustainability reports has a positive effect on firm value.

Liquidity is the ability of a company to meet its short-term obligations. Companies that have a high liquidity ratio are seen as good opportunities for investors. This is because when the level of liquidity is high, the company is said to have good performance and has the ability to fulfill its obligations in a timely manner. Investors expect good company performance in order to boost stock prices, which means the value of the company will increase. In line with research conducted by Putra & Lestari (2016), Dewi & Sujana (2019), Nur (2019), Kepramareni & Yuliastuti (2019), and Dewi & Ekadjaja (2020) which states that liquidity has an effect on firm value. Thus, the authors hypothesize H2: Liquidity has a positive effect on firm value.

The concentration of ownership is said to have a good impact on the value of the company. When linked using stakeholder theory, the concentration of ownership allows management to manage and monitor better, and the possibility of making management perform opportunistic traits that can harm shareholders such as hiding or not conveying environmental and social issues is reduced. This gives stakeholders more decision-making power to influence companies to pay more attention to environmental and social issues, resulting in sustainability reports being a form of broader accountability to stakeholders (Barung et al., 2018; Sidiq et al., 2021). La Porta et al. (1999) as well as Younas et al. (2017) proves that with a high concentration of ownership, management has greater power to control the disclosure of sustainability reports. The results of research Barung et al. (2018) concluded that the concentration of ownership has a positive effect on the disclosure of sustainability reporting, with the conclusion that the large level of shareholder power and voting rights owned by shareholders is concentrated, it will strongly choose the company's policy in providing information related to the sustainability report. Correa-Garcia et al. (2020) found that the concentration of ownership has a positive effect on the disclosure of sustainability reporting in other terms, with the higher concentration of ownership, the disclosure of sustainability reporting will increase (Sidiq et al., 2021). This is because the concentration of ownership conveys a strong jurisdiction and causes the company to be transparent to shareholders so that the company has good value not only in the eyes of shareholders but also in the eyes of the community. Thus, the authors hypothesize H3: Concentration of ownership strengthens the positive effect of sustainability reporting on firm value.

Concentration of ownership means ownership of shares owned by shareholders at least 5% of the number of shares distributed (Heflin & Shaw, 2000; Brockman et al., 2009; Sunarko, 2015). With the concentration of ownership, it is considered to be able to increase the quality of the company as a result, companies that have a concentration of shareholder ownership will mostly have a strong preference for controlling the company and enhancing the supervisory role in the companies in which they invest. The greater the concentration of ownership in the company, the stronger the company's demands for further disclosure of the risks that the company may face (Pangestuti & Susilowati, 2017). When the concentration of ownership is not controlled properly, liquidity will decrease which causes a decrease in the value of the company. Thus, the authors hypothesize H4: Concentration of ownership strengthens the positive effect of liquidity on firm value.

III. Research Method

The type of data in this study uses secondary data (Digdowiseiso, 2017). The data in this study were taken from all companies listed on the Indonesia Stock Exchange, www.idx.co.id, and the websites of each company. The population in this study are all companies that publish sustainability reports and are listed on the Indonesia Stock Exchange. The observation period is 5 years, namely 2016-2020. The sampling technique used is a purposive sampling technique that is targeted based on certain criteria.

Table 1. Research Sample Criteria

No.	Information	Amount
1	All companies listed on the Indonesia Stock Exchange for the 2016-2020 period.	**782**
2	Companies that do not publish sustainability reports and annual reports in a row during 2016-2020	**(745)**
Number of companies that can be sampled		**37**
Research year		**5**
Amount of research data		**185**

Source: Data in Processed, 2022

The dependent variable in this study is Firm Value (TOBIN'S Q) and the independent variable is the disclosure of sustainability reporting and liquidity moderated by ownership concentration. This study has control variables, among others, namely, leverage and firm size. Measurements on each of the variables used are in table 2.

Table 2. Operational Measurement

No.	Variable	Measurement
1	The value of the company	This study reveals firm value as market value because shareholder prosperity is influenced by firm value. In this study, firm value was measured using Tobin's Q(Sari & Wahidahwati, 2021). $Tobin's\ Q = \frac{(MVE + DEBT)}{TA}$
2	Sustainability Reporting Disclosure	The estimation of the Sustainability Reporting Disclosure Index (SRDI) is carried out by giving a score of 1 if the item is disclosed, and 0 if the item is not disclosed (Pujiningsih, 2020) $SRDI = \frac{n}{k}$
3	Liquidity	Measuring instrumentliquidity in researchit uses the current ratio.Here's the formula for measuring liquidity(RP Sari, 2020): $Current\ Ratio = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}} \times 100\%$
4	Ownership Concentration	To calculate the concentration of ownership in a company, it can be expressed by the largest percentage with the following formula(Feng et al., 2018): $\text{Konsentrasi Kepemilikan} = \sum \text{(Rasio 5 Pemegang Saham Teratas)}$
5	Leverage	This research appliesformulabelow to find out the sizeleverage impacttofinancial performancea company(Feng et al., 2018): $DER = \frac{\text{Total Liabilities}}{\text{Total Aset}}$
6	Company Size	To determine the size of the company into large, medium, and small companies can be seen from the number of assets. The following is the formula for measuring company size according to:(Feng et al., 2018): $Size = \text{LN (Total Aset)}$

To test the hypotheses H1 to H4 the following regression equation model is used:

$$TOBIN'S\ Q = \alpha + \beta_1 SRDI + \beta_2 CR + \beta_3 KK + \beta_4 KK*SRDI + \beta_5 KK*CR + \beta_6 DER + \beta_7 SIZE + e$$

Information:

TOBIN'S Q = Company Value

SRDI = Sustainability Reporting Disclosure Index

CR = Liquidity Ratio
KK = Ownership Concentration calculated by the ratio of 5 shareholderstop
DER = Debt Equity Ratio
SIZE =Company Size is calculated by LN Total Assets
α = Constant
β = Coefficient
e = Error

Technical data analysis in this study used WarpPLS 8.0 software.

IV. Result and Discussion

4.1 Descriptive Statistics

Table 3. Analysis ResultsDescriptive statistics

	N	Min	Max	mean	Std. Deviation
SRDI	185	0.08791	0.81318	0.28702	0.14011
CR	185	0.05372	6.01330	1.29553	1.05726
TOBIN'S Q	185	0.88434	23.2857	3.25186	4.48100
KK	185	0.3424	0.9976	0.72899	0.14007
DER	185	0.02695	1.92278	0.65799	0.30893
SIZE	185	25.9955	34,95208	30.9255	4.78558

Note: SRDI = Sustainability reporting; CR = Liquidity; TOBIN'S Q = Firm value; KK = Concentration of ownership; DER = Leverage; Size = Company size.

Based on Table 3 above, it can be seen that the value of the company has a value ofminimum of 0.88434 while the maximum value obtained is 23.2857. The average company value obtained for all companies listed on the Indonesia Stock Exchange for the 2016-2020 period is 3.25186 with a standard deviation of 4.48100. Disclosure of sustainability reporting has a minimum value of 0.08791 and value maximum of 0.81318.The average value for this variable is 0.28702, and the standard deviation of 0.14011shows the variation in the sustainability reporting disclosure index. Liquidity has a minimum value of 0.05372and the maximum value is 6.01330 with an average value of 1.29553and the standard deviation value is 1.05726. The ownership concentration has a minimum value of 0.3424, a maximum value of 0.9976, an average ownership concentration of 0.728997 and a standard deviation of 0.14007. Leverage hasthe minimum value is 0.02695, the maximum value is 1.92278, the mean value is 0.65799 and the standard deviation is 0.30893. The size of the company has a minimum value of 25.9955 and the maximum value is 34,95208 with nthe average value of the company size 30.9255 and standard deviation 4.78558.

4.2 Outer Model Evaluation and Convergent Validity

The first evaluation on the outer model is convergent validity. To measure convergent validity, it can be seen from the value per outer loading (for reflective indicators) and T-Statistics on outer weight (for formative indicators). Reflective indicators are said to meet the requirements of convergent validity, that is, if they have an outer loading value > 0.7, while the validity of formative indicators is seen from the weight value per indicator, whether it is significant or not (Ghozali & Latan, 2014; Meini & Nikmah, 2022). The following is the output value of the significance of weight and VIF.

Table 4. Results of the Output Indicator Weight and VIF

	SRDI	**CR**	**TOBIN'S Q**	**KK**	**KK*SRDI**	**KK*CR**	**DER**	**SIZE**	**TYPE**	**P value**	**VIF**	**WLS**
SRDI	(1,000)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Formative	<0.001	0.000	1
CR	0.000	(1,000)	0.000	0.000	0.000	0.000	0.000	0.000	Formative	<0.001	0.000	1
TOBIN'S Q	0.000	0.000	(1,000)	0.000	0.000	0.000	0.000	0.000	Formative	<0.001	0.000	1
KK	0.000	0.000	0.000	(1,000)	0.000	0.000	0.000	0.000	Formative	<0.001	0.000	1
KK*SRDI	0.000	0.000	0.000	0.000	(1,000)	0.000	0.000	0.000	Reflective	<0.001	0.000	1
KK*CR	0.000	0.000	0.000	0.000	0.000	(1,000)	0.000	0.000	Reflective	<0.001	0.000	1
DER	0.000	0.000	0.000	0.000	0.000	0.000	(1,000)	0.000	Formative	<0.001	0.000	1
SIZE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(1,000)	Formative	<0.001	0.000	1
Note: SRDI = Sustainability reporting; CR = Liquidity; TOBIN'S Q = Firm value; KK = Concentration of ownership; DER = Leverage; Size = Company size												

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From the output results above, it can be seen that the reliability indicators of all the items that make up the Sustainability Reporting construct, Liquidity, Firm Value, Leverage, Firm Size and Ownership Concentration are valid using the factor loading value obtained >0.7 and the P value indicator weight <0.001 and < 0.05, the value of Variance Inflation Factor (VIF) per indicator obtained <3.3 which can be concluded that there is no collenearity problem between indicators. It can also be seen that the value of the weight-loading sign (WLS) is equal to 1, which means that it has met the recommended requirements, so the model fits.

4.3 Inner Model Evaluation

1.	*Average path coefficient (APC)*	0.210	P = 0.004<0.05	Memenuhi kriteria
2.	*Average R-squared (ARS)*	0.582	P = <0.001< 0.05	Memenuhi kriteria
3.	*Average adjusted R-squared (AARS)*	0.544	P = <0.001< 0.05	Memenuhi kriteria
4.	*Average Block Variance Inflation Factor (AVIF)*	acceptable if <= 5, ideally <= 3.3	1.860 < 3.3	Tidak terjadi multikolinearitas
5.	*Average full collinearity Variance Inflation Factor (AFVIF)*	acceptable if <= 5, ideally <= 3.3	2.185< 3.3	Tidak terjadi multikolinearitas
6.	*Tenenhaus GoF (GoF)*	small >= 0.1, medium >= 0.25, large >= 0.36	0.763	Large

Source: WarpPLS 8.0 (2022) output data
Figure 1. *Output Model Fit and Quality Indices*

From the general results above, it can be seen that the model has a good fit, where the P value for*Average path coefficient (APC)*, *Average R-squared (ARS)*, and Average adjusted R-squared (AARS) <0.05with APC = 0.210, ARS = 0.582 and AARS 0.544. Likewise with the value *Average Block Variance Inflation Factor*(AVIF) and *Average full collinearity Variance Inflation Factor* (AFVIF) obtained is < 3.3 which means tthere is no multicollinearity problem between indicators and between exogenous variables. The GoF obtained is 0.763 >= 0.36 which means the model fits well.

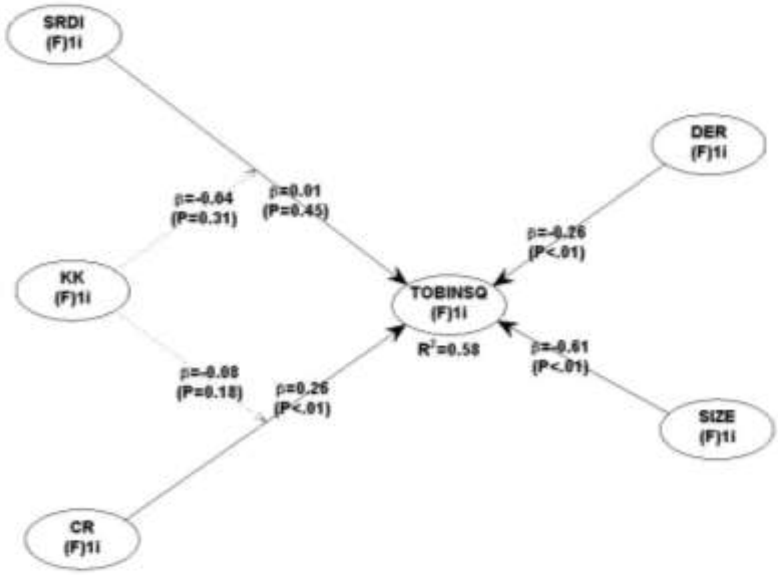

Figure 2. *SEM Analysis Results*

Table 5. Latent Output Results for Coefficient Variables

	SRDI	CR	TOBIN'S Q	KK	KK*SRDI	KK*CR	DER	SIZE
R-squared			0.582					
adj. R-squared			0.544					
Cronbach's alpha	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Full Collin, VIF	1.162	2.226	1,557	3,804	1.392	2.866	1,560	2,910
Q-squared			0.601					

Source: WarpPLS 8.0 (2022) output data.
Note: SRDI = Sustainability reporting; CR = Liquidity; TOBIN'S Q = Firm value; KK = Concentration of ownership; DER = Leverage; Size = Company size

Based on the above output results can be obtained the value of Adj. R-squared is 0.544, which means that the effect of variable variation is 54.4% and the remaining 45.6% is influenced by other variables outside this research model. Furthermore, the resulting Q-squared value is also quite good, namely 0.601 > 0 which means it meets the criteria. It can also be seen that the Composite Reliability value produced by each construct is very good, namely > 0.7 so that it meets internal consistency reliability. The Full Collinearity VIF value for each construct is also very good, namely > 3.3 so that there is no collinearity problem in the model.

4.4 Hypothesis testing

Regression analysis test aims to measure the strength of the relationship between two or more variables as well as to show the direction of the relationship between the dependent variable and the independent variable (DK Sari & Wahidahwati, 2021).From the results of this regression analysis using a significant level of 5% (0.05).

Table 6. Coefficient Results and P value

	Path Coef	***P-value***	**Relationship Between Variables**	**Information**
SRDI → TOBIN'S Q	0.010	0.453	Positive Not Significant	Rejected
CR → TOBIN'S Q	0.259	0.002	Significant Positive	Received
KK*SRDI → TOBIN'S Q	-0.042	0.309	Not significant	Rejected
KK*CR →TOBIN'S Q	-0.077	0.183	Not significant	Rejected
DER→ TOBIN'S Q	-0.260	0.002	Significant Negative	Received
SIZE → TOBIN'S Q	-0.609	<0.001	Significant Negative	Received

Note: SRDI = Sustainability reporting; CR = Liquidity; TOBIN'S Q = Firm value; KK = Concentration of ownership; DER = Leverage; Size = Company size.

The results of the first hypothesis of this study based on the output coefficient and the p-value results in Table 6 can be interpreted that the resulting p-value greater than 0.05 is 0.453, and the path coefficient value is 0.010, which means that sustainability reporting has no significant positive effect on firm value. From this it can be concluded that the items disclosed by the company are not indicators that affect investors' reactions to the company, as well as the disclosure of sustainability reports is not an indicator that affects the value of the company. This is because the disclosure of sustainability reporting is not carried out optimally during the five observation periods. This can be seen from the average disclosure of the company's sustainability report which is only 0.28702, which is 26 out of 91,The results of this study are in accordance with the results of research conducted by Sawitri & Setiawan (2019), Sari & Wahidahwati (2021), Novia & Halmawati (2022), and Wulandari & Trisnawati (2021) which states that the results of the disclosure of sustainability reporting in his research conclude that the disclosure of sustainability reporting has no effect on firm value.

The results of the second hypothesis in this study are based on the results of*output coefficient* and the p-value in Table 6 can be explained that the resulting p-value is 0.002 and the coefficient value is 0.259, which means that liquidity has a significant positive effect on firm value. The average result for liquidity is 1.29553 above 1.00, indicating that on average the sample firms have the ability to pay short-term debt without disrupting operational activities. This is in accordance with the signaling theory which states that companies with high liquidity provide a good position for investors because the company is considered capable of paying its obligations. The increase in demand for shares also causes an increase in the value of the company, which means that the higher the level of liquidity in the company, the higher the value of the company. The results of this study indicate that high liquidity can indicate that an asset is available to pay dividends, fund the company's operations and investments to provide investors with an overview of the company's performance. These results are in accordance with the research Putra & Lestari (2016), Dewi & Sujana (2019), Nur (2019), and Kepramareni & Yuliastuti (2019) which says that liquidity has an effect on firm value.The results of this study indicate that high liquidity can indicate assets available to pay dividends, finance company operations and investments so that investors' perceptions of company performance are getting better.

The results of the third hypothesis in this study are based on the results of the output*output path coefficient*and p-value in Table 6, it is explained that the resulting p-value is 0.309 and the path coefficient value is -0.042, which means that the level of concentration of ownership of company value does not affect the disclosure of corporate sustainability reporting, and investors often no longer consider sustainability reporting as a factor in decision making. they. The findings of this study indirectly also indicate that the concentration of ownership does not provide additional motivation for companies to report sustainable reports continuously and in depth, so it does not affect the value of the company. The results of this study are not in accordance with the research Barung et al. (2018) and Correa-Garcia et al. (2020) inSidiq et al. (2021), who noted that shareholders have a higher level of shareholder power and voting rights so that it will greatly determine the company's policy on relevant information in the sustainability report.

The results of the fourth hypothesis of this study are based on the results of the output coefficient and p-valuein Table 6, which can be explained by a p-value of 0.183 and a path coefficient of -0.077 which means that the concentration of ownership does not contribute to moderating the relationship between liquidity and firm value. The results of this study indicate that there is no difference between companies with concentrated and non-concentrated ownership in viewing the importance of high liquidity for companies. Both consider that the company is obliged to maintain liquidity which illustrates a positive signal of management performance, so that investors believe in investing in the company which results in an increase in the value of the company.

For control variables *leverage* based onThe results of the path coefficient output and p-value in Table 6 can be explained where the resulting p-value is $0.002 < 0.05$ and the path coefficient value is -0.260, which means that leverage has a significant negative effect on firm value. The average value on leverage is 0.65799, meaning that if the leverage increases by 1 unit, assuming other variables are held constant, the firm value will decrease by 0.65799 units. The results of this study are in line with the theory Weston & Copeland (1992) that high leverage causes a decrease in the value of the company because the use of debt will increase the burden on the company in the form of interest costs, which can result in increased investment risk if the company fails to pay off its debts on time and the company's rate of return is increasingly uncertain (Analysis, 2011; Anugerah &

Suryanawa, 2019).This is in accordance with researchAnugerah & Suryanawa (2019) and Muharramah & Hakim (2021) which says that leverage has an effect on firm value.

The next control variable is firm size, which is based on the output path coefficient and p-value in Table 5, which can be interpreted as, the p-value obtained is <0.001 <0.05, and the output path coefficient value is -0.609, indicating that the size of the the company has a significant negative effect on the value of the company. This shows that the larger the size of the company, the value of the company actually decreases. These results are in accordance with research conducted by Irawan & Kusuma (2019) which states that firm size has a negative effect on firm value. The company's total assets are too large is considered a negative signal for investors.

V. Conclusion

This study aims to identify the effect of sustainability reporting and liquidity disclosure on firm value moderated by ownership concentration variable. In accordance with the results of the analysis and discussion and discussion, it can be concluded that the disclosure of sustainability reporting has no effect on firm value. The research results can be caused because there are still few companies that consistently and completely publish sustainable reporting. This has implications for the need for companies to be more continuous and deeper in carrying out social and environmental activities so that investor confidence will increase. Furthermore, liquidity has a significant positive effect on firm value. This shows that indeed companies with good performance will get a positive response from investors. Ownership concentration cannot moderate the relationship between sustainability reporting disclosures and firm value. This shows that there is no difference in behavior between companies that are concentrated and companies that are not concentrated in responding to company obligations in reporting sustainable reports in depth. Furthermore, the concentration of ownership cannot moderate the relationship between liquidity and firm value. This shows that both controlling and non-controlling shareholders have the same perception that high liquidity is important so that the company gets a positive response from investors. In the control variable, leverage has a significant negative effect on firm value,

The suggestion of this research for companies is that they are expected to be able to complete the disclosure items contained in the Global Reporting Initiative (GRI) which include indicators of economic, social, and environmental performance in disclosing sustainability reporting so that the company looks better in the eyes of investors because the company is able to implement a transparency system for its stakeholders. Potential investors are expected to pay more attention to the issue of sustainability reporting in investing as well as what factors will provide benefits after investing. For further research, it is hoped that it can extend the research period and add other variables such as from the external side of the company, for example the role of KAP, the influence of competition and economic conditions.

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