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DOES THE VALUE OF COAL MINING COMPANIES IN INDONESIA AFFECT GREEN ACCOUNTING, CSR, AND PROFITABILITY?

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ABSTRACT
The focus of this research is to find out whether profitability, CSR, and green accounting affect firm value. Coal mining companies listed on the IDX are the object of research, and the sampling is purposive sampling. The data is taken from the IDX website and related companies. The data collected includes environmental cost components, CSR index, ROE, and Tobins'q. Data analysis was performed using linear regression analysis. The results of the study show that although the application of green accounting and CSR has no effect on firm value, profitability as measured by ROE has an effect on firm value. But overall, the application of green accounting, CSR, and profitability affect the value of the company.

Keywords: green accounting, CSR, profitability, firm value

INTRODUCTION

The Central Bureau of Statistics (BPS) reports that the mining and quarrying industry provides 12.22% of the country's economic growth in 2022, this contribution increases compared to previous years. But on the other hand, environmental and responsibility issues are important issues in the context of the mining industry. Mining is responsible for around 70% of environmental damage in Indonesia, and threatens 3.97 million hectares of the country's protected areas (Ahmad Habibi, 2022). One of the Indonesian government's efforts to guarantee environmental welfare is the issuance of Law Number 32 of 2009 concerning Environmental Protection and Management. In line with that, the community's interest in environmental sustainability continues to grow, enabling companies to pay attention to the environment and their responsibilities to stakeholders, especially business owners, creditors and the wider community. According to the triple bottom line concept of profit, businesses must consider that apart from profits, the environment and stakeholders also influence. By focusing on this concept, it is hoped that the company will achieve profits and increase the welfare of stakeholders, taking into account economic and non-economic opportunities for business (Putu Purnama & I Putu Edward Naraya, 2020).

Green accounting through environmental disclosure, company profitability ratios, and disclosure of corporate social responsibility (CSR) by companies are some of the elements that influence the value of company shares (Putu Purnama & I Putu Edward Naraya, 2020). In the era of the green economy, companies must use environmentally friendly companies in accordance with Industrial Law no. 3 of 2014. It aims to create a free, competitive, and green-minded economy and use green accounting and CSR as its application, in management practices. Gine (2021), the Indonesian government annually gives awards to companies that can implement a green industry through the Ministry of Industry. The Ministry of Environment also uses PROPER, an index that assesses company performance in environmental management. CSR is a concept that expresses a company's commitment to be responsible for the social, environmental and economic impacts of its business (Catur Muhammad Erlangga, et al, 2021). According to the Limited Liability Company Law; Article 74 number 40 of 2007, companies that do business with natural resources must comply with social programs. The application of green accounting and social responsibility in business management can bring a positive reputation for business. This is in accordance with research conducted by Tryas Chasbiandani et al (2019), Catur Muhammad Erlangga et al (2021), Putu Purnama Dewi and I Putu Edward Naraya (2020), Angga Pujakesuma

(2022), Chernisty Hanindia and Sekar Mayangsari (2022) researching green accounting, CSR, and company values. The results of the study show that green accounting practices and social responsibility in business management have a positive effect on profitability and business value.

The results of research by Verlita Dewi and Eni Wuryani (2020), Agnes Yunia Putri et al. (2022) shows that green accounting practices have no significant effect on company performance. These results are caused by a lack of business concern for the environment and social surroundings of
the company, and the inclusion of environmental costs has an unfavorable impact on the company because the additional burden for the company increases. That's why researchers wanted to learn more about the value of mining companies in relation to green accounting practices, human responsibility, and profitability. Mining was chosen because it is a business that has a big impact on the environment and environmental sustainability.

This thinking departs from the fact that mining companies are businesses that directly excavate and extract natural resources, and there are many examples of damage and environmental pollution from mining. Based on this, researchers consider researching "The Influence of Green Accounting, Corporate Social Responsibility and Profitability on Company Value in Coal Mining Companies Listed on the Indonesian Stock Exchange." This research was conducted to see and compare organizations that implement green accounting practices in business management and have strong CSR programs, with companies that do not implement green accounting practices in business management, and companies with weak or zero CSR programs. To see whether the profitability and value of the company is greater than companies that implement green accounting and CSR in managing their companies.

LITERATURE REVIEW

Stakeholder Theory

Sigit Hermawan et al. (2023) stakeholder theory is a concept that explains that stakeholders have enormous capacity in the existence of organizations in their environment, namely factions that have an interest in business, because these parties influence and are influenced by the company. Sigit Hermawan et al. (2023) stated that in stakeholder theory, the implementation of CSR is not only faced by owners or shareholders, but also stakeholders who are affected by the existence of the company. Stakeholder support is the survival of the organization because the greater the power of stakeholders in the company, the greater the ability of the organization to achieve its survival.

Legitimacy Theory

In 1975, Dowling and Preffer proposed legitimacy theory, which stated that legitimacy is a condition in which a company tries to achieve harmony between the social values associated with its activities and the norms of behavior that exist in the social system in which the company is involved. According to Muhammad Wahyuddin Abdullah (2020), business seeks to gain legitimacy from the community by implementing programs that are in line with community expectations. Examples include implementing social responsibility programs, implementing environmental accounting, and communicating this in annual reports and reports as the information investors need to make decisions about performance.

Green Accounting

According to (Andreas Lako, 2018) a paradigm in accounting known as "green accounting" argues that social and environmental factors must also be taken into account when recording financial transactions, events and objects. The three fundamental foundations of green accounting are as follows, according to Andreas Lako (2018): (a) Environmental Accounting (Planet Accounting). Environmental accounting information is generated through accounting processes to identify, measure, document, compile, and report environmental transactions, events, or objects; (b) Social Accounting (People Accounting).

Accounting procedures that generate social accounting information by identifying, assessing, documenting, condensing, and reporting accounting data relating to social-community transactions or events of an entity; (c) Financial Accounting (Profit Accounting). Accounting procedures that identify, evaluate, document, compress and communicate financial transactions or business events to provide financial accounting data.

Corporate Social Responsibility (CSR)
According to (Ahmad Lamo Siad, 2018) CSR is defined as a corporate initiative to increase public perception through internal and external charity programs. All stakeholders are involved in external activities carried out as a partnership to demonstrate the company's concern for the local community and the environment. Internally, they are able to produce well, make as much money
as possible, and improve the welfare of their employees. Based on the above understanding, it can be explained that CSR is a company's commitment to be responsible for the social, environmental and economic aspects of its business. This includes companies that integrate concerns about people, the environment, employees, customers and other stakeholders into their strategy and operations.

Profitability
For long-term investors, profitability analysis will be very important because it measures a company's potential to generate profits in relation to sales, total assets, and capital itself (Sari, 2020). Profitability also plays an important role in ensuring the long-term health of a business because it indicates whether the prospect is profitable (Sigit Hermawan et al., 2023).

Corporate Values
Firm value, according to Sigit Hermawan et al. (2023) is an investor's assessment of the company's success, usually associated with market value. Firm value will be proportional to market value, according to Sigit Hermawan et al. (2023), because the higher the stock price of a company will have an impact on the higher the value of the company's shares and vice versa if the stock price of a company falls, it will reduce the value of its shares.

METHODS

Types of research
Using a quantitative approach, this study aims to provide more accurate and statistically measurable information about how profitability, CSR, and green accounting impact the value of coal mining companies in Indonesia.

Variables and Measurements
Green Accounting (Independent Variable)
Green accounting is the process of disclosing information about environmental performance that demonstrates the accountability of business activities. Green accounting variables can be calculated using the dummy method. In annual and sustainability reports, companies are given a score of 1 if they contain components of environmental costs, product recycling costs, development costs, or research costs. Conversely, if the company does not contain an environmental cost component in its report, then it is given a score 0.

CSR (Independent Variable)
CSR is a company's commitment to be responsible for the social, environmental and economic aspects of its business. In this study, CSR follows the GRI Sustainability Reporting Standards, which will be calculated in the following way:

$$CSR = \frac{\sum X_{ij}}{n_j}$$

Information:

$\sum X_i$ = dummy variable; a value of 1 for items that are disclosed and a value of 0 for items that are not disclosed

n_j = Total items

Profitability (Independent Variable)
The focus of this research is the final result, namely net income. In this study, ROE is the ratio used to measure the results obtained by shareholders during a year. ROE can be calculated in the following way:
ROE=(Net Profit)/(Total Equity)

Firm Value (Dependent Variable)
Firm value is an investor's assessment of the success of a company, which is usually related to stock prices. In this study, the Tobins'q formula is used to measure firm value. The Tobins'q ratio has the ability to show intellectual capital and market sentiment such as a company's prospects.
Tobins'q can be calculated by the following method:
Tobins'q=(MVE+Debt)/TA
Information:
MVE = Share Price
Debt = Debt
TA = Total Assets

Population and Sample
This research involves all mining companies listed on the Indonesia Stock Exchange (IDX). A purposive sampling technique was used to collect a sample, which includes 18 companies that meet the following criteria: companies listed on the Indonesia Stock Exchange from 2018 to 2023, annual reports and corporate sustainability reports from 2020 to 2022, and implementing sustainable development goals.

Data Sources and Data Collection Techniques
The data analyzed in the research includes secondary data derived from the annual and sustainability reports of coal mining companies listed on the Indonesia Stock Exchange from 2020 to 2022. Documentation techniques are used to collect, write, and analyze documents and data from these annual and sustainability reports. each of which can be accessed through the company's website and IDX's website at www.idx.co.id

Data Analysis Techniques
To analyze the research data, a simple linear regression analysis technique was used with the help of SPSS.

RESULTS

Hypothesis testing

Table 1. Test Results t

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	,444	,121		3,668	,001
	Green_Accounting	,129	,100	,156	1,289	,203
	CSR	-,183	,349	-,062	-,524	,603
	Profitability	-,002	,001	-,562	-4,644	,000

Source: Secondary data processed, 2022

Table 2. Hypothesis F Anova test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1,109	3	,370	7,230	,000[b]
	Residual	2,557	50	,051		
	Total	3,667	53			

Source: Secondary data processed, 2022

DISCUSSION

The Effect of Green Accounting on Company Value

Table 1 shows that the significance value of green accounting is 0.203, greater than 0.05 (0.203 > 0.05), which indicates that green accounting has no impact on the value of coal mining companies in Indonesia. This suggests that including an environmental cost element does not directly impact business value. If companies include environmental costs, they must show them in their financial statements as environmental expenses or disclose them in their annual reports. This will cause the profit to decrease. Environmental costs can be considered as investment costs in annual or sustainability reports because they will gain social legitimacy in the future, which will indirectly provide a positive image for stakeholders. Research by Verlita Dewi and Eni Wuyani (2020), Agnes Yulia et al. (2022), Masiyah and Saskia (2022) are in line with this finding.

The Effect of CSR on Corporate Values

According to Table 1, the significance value of CSR for the value of coal mining companies in Indonesia is 0.603, greater than 0.05, which indicates that CSR has no impact on company value. How CSR affects company value varies depending on the industry and company situation. Often considered an industry that damages the environment and has a negative impact on local communities, mining companies may not be able to offset the industry's negative impact with their CSR practices. However, CSR does not have a direct impact on company value, but can improve public image and trust. This research is in line with research by Sigit Hermawan et al. (2023).

Effect of Profitability on Firm Value

According to Table 1, the profitability significance value of 0.000 is less than 0.05 (0.000 <0.05), indicating that profitability has a significant negative impact on the value of coal mining companies in Indonesia. That is, the value of the company decreases if its profitability is measured by ROE increases, and vice versa. This shows that a high ROE can indicate that the company uses high leverage to increase profits, which can increase the company's financial risk. In addition, high ROE can also indicate that the company is not using its capital effectively to generate profits. This study is in line with a study conducted by Catur Muhammad et al. (2021), Putu Purnama and I Putu Edward (2020).

Effect of Green Accounting, CSR, and Profitability on Company Value

Based on Table 2, green accounting, CSR, and profitability have a significant effect on the value of Indonesian coal mining companies, with a significant value of 0.000, less than 0.05 (0.000 <0.05). It shows how CSR, profitability, and green accounting have an indirect impact on company value. Firm value, including company profitability and performance, can be increased through the application of green accounting and CSR. In addition, the implementation of CSR and green accounting can improve the company's reputation in the public eye which will increase the value of the company. This is in line with the research conducted by Putu Purnama and I Putu Edward (2020).

CONCLUSION

The results of the research above show that although the application of green accounting and CSR does not affect firm value, profitability as measured by ROE does affect firm value. In other words, the implementation of green accounting, CSR, and profitability indirectly affect company value and can increase company profitability and reputation in the public eye, which in turn can increase company value.

This research is limited to coal mining companies and the sample is only limited for a short time, so the results cannot be generalized to all conditions or certain conditions. In addition, there are only three variables examined in this study. According to this study, the implementation of CSR and green accounting in coal mining companies in Indonesia has no impact on company value. Therefore, coal mining companies must implement CSR and green accounting that are relevant to the needs of the surrounding community. Not only must it be symbolic, but it must have a real impact on society and the environment.

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