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THE EFFECT OF FAMILY OWNERSHIP, AGENCY COST, ENVIRONMENTAL PERFORMANCE, CORPORATE SOCIAL RESPONSIBILITY ON FIRM VALUE

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ABSTRACT

In today's dynamic and competitive business conditions, companies must be able to adapt and have the ability to compete so that company goals can be achieved. Company goals can be reflected through the ability to increase company value. This study aimed to examine the effect of family ownership, agency costs, environmental performance, and corporate social responsibility on firm value with financial performance as mediation. The population of this study were food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) during 2020-2022. The sample in this study used a purposive sampling method and data analysis techniques using SmartPLS 4.0 by testing the direct and indirect effects between the independent and dependent variables. The results showed that family ownership has a significant effect on firm value, agency costs have a significant effect on firm value, corporate social responsibility has a significant effect on firm value, financial performance has a significant effect on firm value, but environmental performance has no significant effect on firm value. Then, family ownership and corporate social responsibility have no significant effect on financial performance, while agency costs and environmental performance have a significant effect on financial performance. Furthermore, based on research on indirect effects, financial performance does not mediate the influence of family ownership, agency costs, environmental performance, and corporate social responsibility on firm value.

Keywords: *Family Ownership, Agency Cost, Environmental Performance, CSR, Firm Value*

1. PREFACE

Introduction

In dynamic and competitive business conditions, companies need to adapt and have the ability to compete in order to maintain their existence. One of the company's goals is to increase and maximize firm value. High firm value will make the market believe in the company's performance, and provide prosperity to shareholders through increased stock prices (Safitri et al., 2018). Based on the Family Survey Business (Price Waterhouse Cooper, 2014), 60% of listed companies in Southeast Asia are family companies, and more than 95% of companies in Indonesia are owned by families with a total wealth of IDR 134 trillion. In general, family members will consider the company an asset that will be passed on to the next generation, so family companies will continue improving operational quality and performance. However, inter-family disputes are one of the biggest challenges in building financial performance and firm value. Conflicts between family members can cause agency costs within the company, which can affect company performance and value. Social and environmental problems due to the company's operational activities are also one of the crises that threaten the lives of living things (Sudimas et al., 2023), which can then affect the company's financial performance and firm value. This can be seen from the case of PT Bintang Warna Mandiri (BWM) in Cimahi City, West Java in 2022 which was proven to have polluted the environment in the Citarum Watershed. For this problem, PT BWM had to pay compensation costs of IDR 4.7 billion, which resulted in the company's profit level being meager and indirectly affected the company's financial performance and firm value (Octa Dandy Saiyar, 2022).

Based on research by Safitri et al. (2018), family ownership significantly positively affects firm value. On the other hand, Patrisia et al. (2019) explains that family ownership has no significant effect on firm value. Furthermore, research by Minh Ha et al., (2022) found that family ownership has no significant effect on financial performance, research conducted by Sanjaya et al. (2022) explains that family ownership significantly negatively affects financial performance. Research by Aprianti & Khomsiyah (2022) found that agency cost significantly positively affects firm value. This research differs from the research of Nurmalasari & Maradesa (2021), which states that agency cost has no significant effect on firm value. Furthermore, research by Hoang et al. (2019) explains that agency costs significantly negatively affect financial performance. On the other hand, research by Fachrudin (2011) found that agency cost has no significant effect on financial performance. According to research by Miratul Khasanah & Oswari (2018) environmental performance has no significant effect on firm value. This differs from research by Aini & Faisal (2021), which found that environmental performance significantly positively affects firm value. Furthermore, research by Aini & Faisal (2021), found that environmental performance has no significant effect on financial performance. On the other hand, research by Miratul Khasanah & Oswari (2018) explains that environmental performance significantly positively affects financial performance. Meanwhile, Ulfamawaddah et al. (2022) research explains that environmental performance has a significant negative effect on profitability as measured using ROA. Research by Sabatini & Sudana (2019) found that CSR significantly negatively affects firm value. This research contradicts research conducted by Riyadh et al. (2022) that CSR has a significant positive effect on firm value. Furthermore, research by Hidayah & Wijaya (2022) explains that CSR has no significant effect on financial performance. This is different from research by Indriastuti & Chariri (2021), which found that CSR significantly positively affects financial performance. Research conducted by Suyanto & Bilang (2023) explains that financial performance significantly affects firm value. This research differs from those conducted by Indriastuti & Chariri (2021), where this study found that financial performance has no significant effect on firm value.

Based on the phenomena and descriptions described above, the author wishes to analyse the factors that can affect firm value in family business through the company's financial performance, including family ownership, agency cost, environmental performance, and corporate social responsibility (CSR). The research subject is family business in food & beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange. This is because the food & beverage sub-sector has an important role in fulfilling the primary needs of the community and contributes to increasing economic growth with a contribution of 33.92% to the GDP of the Processing Industry (Mustajab, 2023).

Theoretical Review

Agency Theory, is a relationship between shareholders and management in authorizing management to make decisions that represent the interests of shareholders and the company (Jensen & Meckling, 1976). In this relationship, there can be a conflict of interest between shareholders and management called agency conflict. Agency theory can be a theoretical basis for explaining agency problems, especially in the company's ownership structure (Saputra et al., 2022).

Signaling Theory, is a signal in the form of information about the company's prospects that will be conveyed to users of financial statements and is needed by shareholders (investors) in making considerations and investment decisions (Ani, 2021). When the company gives an excellent signal to outsiders, the signal can increase the company's stock price. However, when the signal provided by the company contains terrible information, the signal can decrease the company's stock price (Ani, 2021).

Legitimacy Theory, states that company performance must be in line with the values in society so that the community can accept it; this is because the community's response has quite an impact on the company's existence. Thus, companies must be fully aware that the company's survival can be affected and depends on the relationship between the company and the environment and the surrounding community (Sulbahri, 2021).

Firm Value, is a measuring tool that can reflect the company's performance through the high share price of supply and demand in the capital market (Harmono, 2011) cited from (Erica Setiono & Henryanto Wijaya, 2022). High company value will make the market believe in the company's performance, and provide prosperity to shareholders through increased stock prices (Safitri et al., 2018).

Financial Performance, is a description of the company's level of achievement of an activity, program, or policy in creating company goals (Safitri et al., 2018). Financial performance can be a benchmark for companies in providing a view of the company's success in carrying out its operational activities (Danny & Cahyadi, 2023).

Family Ownership, is a form of share ownership owned by family members and has an essential role in decision-making in the company (Danny & Cahyadi, 2023). When family members focus on the company's interests by conducting regular monitoring, it can reduce agency conflicts that occur within the company and increase company value and company performance (Patrisia et al., 2019).

Agency Cost, is a cost incurred to supervise management performance so that it can run in line with company goals and minimize agency conflict (Nurmalasari & Maradesa, 2021). agency conflict can occur when management makes decisions that can benefit itself to the detriment of the interests of shareholders, so it is necessary to spend costs to monitor and reduce conflicts (Layyinaturrobaniyah et al., 2014).

Environmental performance, is an effort to manage the impact of environmental damage caused by the company (Mardiana & Wuryani, 2019). Environmental Performance is a voluntary action regarding corporate awareness of the surrounding environment. Companies that implement good environmental performance will gain support and trust from the community and increase company sales (Evelina & Wijaya, 2020).

Corporate Social Responsibility, is a concept that focuses on corporate responsibility in its awareness and concern for economic aspects, social aspects, environmental aspects, and community aspects (Wijaya et al., 2021). Corporate Social Responsibility is one of the company's responsibility efforts to shareholders to reduce negative effects and increase positive effects on social, economic, environmental, and community aspects to achieve company goals (Ahyani & Puspitasari, 2019).

The framework for this research is explained as follows:

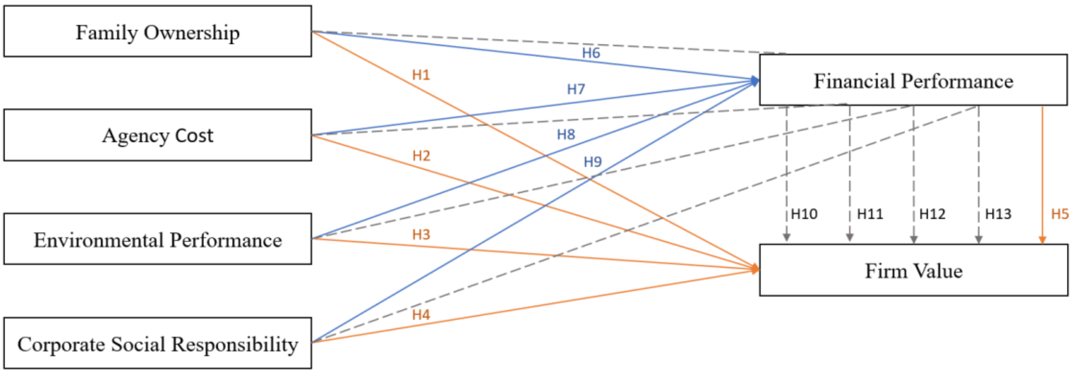

Figure 1 Framework of Thinking

Based on the framework in Figure 1, the hypotheses in this study are as follows:
H1: Family Ownership has a positive and significant effect on Firm Value
H2: Agency Cost has a positive and significant effect on Firm Value
H3: Environmental Performance has a positive and significant effect on Firm Value
H4: Corporate Social Responsibility has a positive and significant effect on Firm Value.
H5: Financial Performance has a positive and significant effect on Firm Value.
H6: Family Ownership has a positive and significant effect on Financial Performance.
H7: Agency Cost has a positive and significant effect on Financial Performance.
H8: Environmental Performance has a positive and significant effect on Financial Performance.
H9: Corporate Social Responsibilities have a positive and significant effect on Financial Performance.
H10: Family Ownership has a positive and significant effect on Firm Value with Financial Performance as mediation.
H11: Agency Cost has a positive and significant effect on Firm Value with Financial Performance as mediation.
H12: Environmental Performance has a positive and significant effect on Firm Value with Financial Performance as the mediation.
H13: Corporate Social Responsibility has a positive and significant effect on Firm Value with Financial Performance as mediation

2. RESEARCH METHOD

The research design that will be used in this research is descriptive research design with quantitative methods, which is a data collection technique in the form of numbers that explain the characteristics, events, and situations so that it can help researchers to think systematically about the relationship between variables, and make decisions for further research. The data collection technique in this study is panel data. The data used in this study is secondary data, which can be obtained from annual reports and sustainability reports through the Indonesia Stock Exchange (IDX) website, IDN financial website, official company website, and the Ministry of Environment and Forestry website. The sample selection technique that will be used in this study is non-probability sampling technique.

Table 1 Operationalization of Research Variables

Variable	Measurement	Source
Firm Value	Tobin's Q = $\frac{(EMV+DEBT)}{EBV}$	Riyadh et al. (2022)
Financial Performance	$ROA = \frac{Net\ Income\ After\ Tax}{Total\ Assets}$	Safitri et al. (2018)
Family Ownership	$FamOwn = \frac{\sum Saham\ Keluarga}{\sum Saham\ Beredar} \times 100$	Patrisia et al. (2019)
Agency Cost	$SGA\_SALE = \frac{Selling,\ \ General,\ Administrative\ Expense}{Net\ Sales}$	Hoang et al. (2019)
Environmental performance	Rating of companies participating in PROPER (Gold = 5, Green = 4, Blue = 3, Red = 2, and Black =1)	Aini & Faisal (2021)
Corporate Social Responsibility	$CSRI = \frac{\sum X_{ij}}{N_j}$	Hidayah & Wijaya (2022)

Source: Processed by Researchers (2023)

3. RESULT AND DISCUSSION

Inferential statistical analysis in this study uses Structural Equation Modelling (SEM) techniques with the Partial Least Square (PLS) method in SmartPLS 4.0 software. In Partial Least Square (PLS) analysis, there are 2 (two) types of analysis that need to be done, namely structural measurement model analysis (outer model) and structural model analysis (inner model). Outer model analysis includes reliability testing measured by outer loading and Cronbach's alpha, while validity testing can be measured by average variance extracted (AVE). Then, the structural model analysis (inner model) is carried out by testing multicollinearity, coefficient of determination (R-Square), effect size (F-Square), Predictive Relevance (Q-Square), and Path Coefficient.

The outer loading test results show that family ownership, agency cost, environmental performance, corporate social responsibility, financial performance, and firm value have an outer loading value of 1.000 (≥ 0.70), which indicates an adequate level of reliability and is valid. The results of Cronbach's alpha testing also show that family ownership, agency costs, environmental performance, corporate social responsibility, financial performance, and firm value have an adequate level of reliability with a Cronbach's alpha value of 1,000 (> 0.70), so the relationship between indicators and constructs is reliable and valid. Then, the results of testing the average variance extracted (AVE) of all variables in this study are 1,000 (> 0.50). This indicates that the variables of family ownership, agency cost, environmental performance, corporate social responsibility, financial performance, and firm value are valid because they can explain more than 50% of the indicator variance can be explained by the construct variable.

In the structural model analysis (inner model), the multicollinearity test results in this study are 1.000, so it can be concluded that there is no correlation between family ownership, agency costs, environmental performance, corporate social responsibility, financial performance, and firm value because the VIF value is less than 10. The results of the R-Square test in this study explain that there are 0.118 or 11.8% firm value variables that can be explained by the independent variables in this study, then there are 0.484 or 48.4% financial performance variables that can be explained by the independent variables in this study. The guidelines on the F-Square assessment explain that the independent variables have a small (0.02), moderate (0.15), and large (0.35) influence on the dependent variable. Family ownership has a small effect size value on firm value and financial performance of 0.077 and 0.047, respectively. Agency cost has a small effect size value on firm value and financial performance of 0.074 and 0.043, respectively. Environmental performance has a small effect size value on firm value and financial performance of 0.002 and 0.060, respectively. Corporate social responsibility has a moderate effect size value on financial performance of 0.042 and a firm value of 0.168. Financial performance variables have a large effect size value on firm size of 0.641. Then, the Q-Square results show that the financial performance variable has a Q-Square value of 0.044 (> 0), and the firm value variable has a Q-Square of 0.152 (> 0). The dependent variable in this study has a good and relevant observation level.

Furthermore, the path coefficient test results explain that family ownership has a positive effect on firm value with a Beta (β) value of 0.236, agency cost has a positive effect on firm value with a Beta (β) value of 0.210, environmental performance has a positive effect on firm value with a Beta (β) value of 0.033, corporate social responsibility has a negative effect on firm value with a Beta (β) value of -0.319, financial performance has a positive effect on firm value with a Beta (β) value of 0.605. Family ownership has a positive effect on financial performance with a Beta (β) value of 0.238, agency costs have a negative effect on financial performance with a Beta (β) value of -0.206, environmental performance has a negative effect on financial performance with a Beta (β) value of -0.253, corporate social responsibility has a negative effect on financial performance with a Beta (β) value of -0.207. The results of the path coefficient test in indirect effects show that family ownership has a positive effect on firm value with financial performance as a mediating variable with a Beta (β) value of 0.144, agency costs have a negative effect on firm value mediated by financial performance with a Beta (β) value of -0.125, the environmental performance has a negative effect on firm value through financial performance as mediation with a Beta (β) value of -0.153, corporate social responsibility has a negative effect on firm value through financial performance as a mediating variable with a Beta (β) value of -0.125. Based on the results of path coefficient testing, the equation can be presented as follows:

$$Y = 0.236\ X1 + 0.210\ X2 + 0.033\ X3 - 0.319\ X4 + 0.605\ M + \varepsilon$$

$$M = 0.238\ X1 - 0.206\ X2 - 0.253\ X3 - 0.207\ X4 + \varepsilon$$

Description:
X1 = Family Ownership
X2 = Agency Cost
X3 = Environmental Performance
X4 = Corporate Social Responsibility
M = Financial Performance
Y = Firm Value
ε = Error

Table 2 Hypothesis Testing Results

Variable	Path Coefficient	T-Statistics	P-Value
H1: Family Ownership has a positive and significant effect on Firm Value	0.236	1.958	0.025
H2: Agency Cost has a positive and significant effect on Firm Value	0.210	1.996	0.023
H3: Environmental Performance has a positive and significant effect on Firm Value.	0.033	0.385	0.350
H4: Corporate Social Responsibility has a positive and significant effect on Firm Value.	-0.319	2.868	0.002
H5: Financial Performance has a positive and significant effect on Firm Value.	0.605	7.129	0.000
H6: Family Ownership has a positive and significant effect on Financial Performance.	0.238	1.372	0.085
H7: Agency Cost has a positive and significant effect on Financial Performance.	-0.206	1.751	0.040
H8: Environmental Performance has a positive and significant effect on Financial Performance.	-0.253	1.934	0.027
H9: Corporate Social Responsibilities have a positive and significant effect on Financial Performance.	-0.207	1.346	0.089
H10: Family Ownership has a positive and significant effect on Firm Value with Financial Performance as mediation.	0.144	1.266	0.103
H11: Agency Cost has a positive and significant effect on Firm Value with Financial Performance as mediation.	-0.125	1.621	0.053
H12: Environmental Performance has a positive and significant effect on Firm Value with Financial Performance as the mediation.	-0.153	1.704	0.044
H13: Corporate Social Responsibility has a positive and significant effect on Firm Value with Financial Performance as mediation.	-0.125	1.302	0.097

Source: Processed by Researchers (2023)

The Effect of Family Ownership on Firm Value

Table 2 shows that family ownership has a T-Statistics value of 1.958 (> 1.65) and a P-Value of 0.025 (< 0.05). The T-statistics and P-value explain that family ownership significantly affects firm value. Then, family ownership positively affects firm value with a Beta (β) value of 0.236. Based on the above analysis, it can be concluded that family ownership positively and significantly influences firm value, so the hypothesis (H1) is accepted. This study's results are supported by previous research conducted by Safitri et al. (2018), which states that family ownership has a significant positive effect on firm value. However, this study's results differ from research conducted by Patrisia et al. (2019), which found that family ownership has no significant effect on firm value.

The Agency Cost Effect on Firm Value

Table 2 shows that agency cost has a T-Statistics value of 1.996 (> 1.65) and a P-Value of 0.023 (< 0.05). The T-Statistics and P-Value explain that agency cost significantly affects firm value. Then, agency cost positively affects firm value with a Beta (β) value of 0.210. Based on the above analysis, it can be concluded that agency cost has a positive and significant effect on firm value, so hypothesis (H2) is accepted. This research aligns with research conducted by Aprianti & Khomsiyah (2022) which explains that agency cost has a significant positive effect on firm value. However, this study's results differ from research conducted by Nurmalasari & Maradesa (2021), which found that agency cost has no significant effect on firm value.

The Effect of Environmental Performance on Firm Value

Table 2 shows that environmental performance has a T-Statistics value of 0.385 and a P-Value of 0.350. T-Statistics and P-Value values explain that environmental performance does not significantly affect firm value because the T-Statistic value does not reach the significant level limit > 1.65, and the P-Value value does not reach the significant level limit < 0.05. Then, environmental performance has a positive effect on firm value with a Beta (β) value of 0.033. Based on the above analysis, environmental performance has an insignificant positive effect, or it can be concluded that it has no significant effect on firm value, so the hypothesis (H3) is rejected. This study's results align with research conducted by Miratul Khasanah & Oswari (2018), which found that environmental performance has no significant effect on firm value. However, this study's results differ from research conducted by Aini & Faisal (2021), which found that environmental performance has a significant positive effect on firm value.

The Effect of Corporate Social Responsibility on Firm Value

Table 2 shows that corporate social responsibility has a T-Statistics value of 2.868 (> 1.65) and has a P-Value of 0.002 (< 0.05). The T-Statistics and P-Value explain that corporate social responsibility significantly influences firm value. Then, corporate social responsibility has a negative effect on firm value with a Beta (β) value of -0.319. Based on the above analysis, it can be concluded that corporate social responsibility has a significant negative effect on firm value, so the hypothesis (H4) is rejected. This study's results align with research conducted by Sabatini & Sudana (2019), which explains that corporate social responsibility has a significant negative effect on firm value. On the other hand, this study is not in line with research conducted by Riyadh et al. (2022), which found that corporate social responsibility has a significant positive effect on firm value.

The Effect of Financial Performance on Firm Value

Table 2 shows that financial performance has a T-Statistics value of 7.129 (> 1.65) and has a P-Value of 0.000 (< 0.05). From the T-Statistics and P-Value explain that financial performance has a significant effect on firm value. Then, financial performance has a positive effect on firm value with a Beta (β) value of 0.605. Based on the analysis above, it can be concluded that financial performance positively and significantly influences firm value, so the hypothesis (H5) is accepted. This study's results align with previous research, namely Suyanto & Bilang (2023), which explains that financial performance has a significant positive effect on firm value. However, this study's results differ from research conducted by Indriastuti & Chariri (2021), which found that financial performance has no significant effect on firm value.

The Effect of Family Ownership on Financial Performance

Table 2 shows that family ownership has a T-Statistics value of 1.372 and has a P-Value of 0.085. From the T-Statistics and P-Value values explain that family ownership does not have a significant effect on financial performance because the T-Statistic value does not reach the significant level limit > 1.65, and the P-Value value does not reach the significant level limit < 0.05. Then, family ownership positively affects financial performance with Beta (β) value. Then family ownership positively affects financial performance with a Beta (β) value of 0.238. Based on the above analysis, family ownership has an insignificant positive effect, or it can be concluded that it has no significant effect on financial performance, so the hypothesis (H6) is rejected. This study's results align with previous research, namely Minh Ha et al. (2022), who found that family ownership has no significant effect on financial performance. On the other hand, the results of this study are not in line with research conducted by Sanjaya et al. (2022), which found that family ownership has a significant negative effect on financial performance.

The Agency Cost Effect on Financial Performance

Table 2 shows that agency cost has a T-Statistics value of 1.751 (> 1.65) and has a P-Value of 0.040 (< 0.05). From the T-Statistics and P-Value explain that agency cost has a significant effect on financial performance. Then, agency cost has a negative effect on financial performance with a Beta (β) value of -0.206. Based on the above analysis, it can be concluded that agency cost significantly negatively affects financial performance, so the hypothesis (H7) is rejected. The results of this study are in line with the research of Hoang et al. (2019), which found that agency cost has a significant negative effect on financial performance. On the other hand, this research is not in line with research conducted by Fachrudin (2011), which found that agency costs have no significant effect on financial performance.

The Effect of Environmental Performance on Financial Performance

Table 2 shows that environmental performance has a T-Statistics value of 1.934 (> 1.65) and has a P-Value of 0.027 (< 0.05). From the T-Statistics and P-Value explain that environmental performance has a significant effect on financial performance. Then, environmental performance has a negative effect on financial performance with a Beta (β) value of -0.253. Based on the above analysis, it can be concluded that environmental performance has a negative and significant effect on financial performance, so the hypothesis (H8) is rejected. The results of this study are not in line with research conducted by Aini & Faisal (2021), which found that environmental performance has no significant effect on financial performance, and research conducted by Miratul Khasanah & Oswari (2018), explaining that environmental performance has a significant positive effect on financial performance. However, research conducted by Ulfamawaddah et al. (2022) explains that environmental performance has a negative effect on profitability as measured using return of assets (ROA), so the results in this study are in line with research conducted by Ulfamawaddah et al. (2022).

The Effect of Corporate Social Responsibility on Financial Performance

Table 2 shows that corporate social responsibility has a T-Statistics value of 1.346 and has a P-Value of 0.089. From the T-Statistics and P-Value explain that corporate social responsibility does not have a significant effect on financial performance because the T-Statistics value does not reach the significant level limit > 1.65, and the P-Value value does not reach the significant level limit < 0.05. Then, corporate social responsibility has a negative effect on financial performance with a Beta (β) value of -0.207. Based on the above analysis, corporate social responsibility has an insignificant negative effect, or it can be concluded that it has no significant effect on firm value, so the hypothesis (H9) is rejected. This research aligns with research conducted by Hidayah & Wijaya (2022), which explains that corporate social responsibility has no significant effect on Financial Performance. However, the results of this study are not in line with research by Indriastuti & Chariri (2021), which found that corporate social responsibility has a significant positive effect on financial performance.

The Effect of Family Ownership on Firm Value with Financial Performance as mediation.

Table 2 shows that family ownership has a T-Statistics value of 1.266 and has a P-Value of 0.103. The T-Statistics and P-Value explain that family ownership has no significant effect on firm value with financial performance as mediation. This is because the T-Statistics value does not reach the significant level limit > 1.65, and the P-Value value does not reach the significant level limit < 0.05. Based on the path coefficient value with indirect effect, family ownership positively affects firm value through financial performance as mediation with a Beta (β) value of 0.144. On the other hand, family ownership directly positively affects firm value with a Beta (β) value of 0.236. This means that family ownership directly affects firm value more than indirectly with a comparison value of 0.236 > 0.144. Based on the above analysis, it can be concluded that financial performance does not mediate the effect of family ownership on firm value, so the hypothesis (H10) is rejected. The results of this study are not in line with previous research, namely Safitri et al. (2018), which found that family ownership has a significant positive effect on firm value through financial performance as a mediating variable.

The Effect of Agency Cost on Firm Value with Financial Performance as mediation

Table 2 shows that agency cost has a T-Statistics value of 1.621 and has a P-Value of 0.053. From the T-Statistics and P-Value values, it explains that agency cost does not have a significant effect on firm value with financial performance as mediation. This is because the T-Statistics value does not reach the significant level limit > 1.65, and the P-Value does not reach the significant level limit < 0.05. Based on the path coefficient value with indirect effect, agency cost negatively affects firm value through financial performance as mediation with Beta (β) value of -0.125. On the other hand, agency cost directly positively affects firm value with a Beta (β) value of 0.210. This means that agency cost directly affects firm value more than indirectly with a comparison value of 0.210 > -0.125. Based on the above analysis, it can be concluded that financial performance does not mediate the effect of agency cost on firm value, so the hypothesis (H11) is rejected. The results in this study are in line with research conducted by Aprianti & Khomsiyah (2022), which explains that agency cost has a significant positive effect on firm value, and research by (Hoang et al. (2019), which found that agency cost has a significant negative effect on financial performance.

The Effect of Environmental Performance on Firm Value with Financial Performance as Mediation

Table 2 shows that environmental performance has a T-Statistics value of 1.704 (> 1.65) and has a P-Value of 0.044 (< 0.05). From the T-Statistics and P-Value it explains that environmental performance has a significant influence on firm value with financial performance as mediation. Based on the path coefficient value with indirect effect, environmental performance negatively affects firm value through financial performance as mediation with Beta (β) value of -0.153. On the other hand, environmental performance directly has a positive effect on firm value with a Beta (β) value of 0.033. Environmental performance directly affects firm value more than indirect influence, with a comparison value of 0.033 > -0.153. Based on the above analysis, it can be concluded that financial performance does not significantly mediate the effect of environmental performance on firm value, so the hypothesis (H12) is rejected. The results in this study are not in line with research conducted by Miratul Khasanah & Oswari (2018), which explains that environmental performance has a significant positive effect on firm value with financial performance as mediation.

The Effect of Corporate Social Responsibility on Firm Value with Financial Performance as Mediation

Table 2 shows that corporate social responsibility has a T-Statistics value of 1.302 and has a P-Value of 0.097. The T-Statistics and P-Value explain that corporate social responsibility has no significant effect on firm value with financial performance as mediation. This is because the T-Statistic value does not reach the significant level limit > 1.65, and the P-Value does not reach the significant level limit < 0.05. Based on the path coefficient value with indirect effect, corporate social responsibility negatively affects firm value through financial performance as mediation with Beta (β) value of -0.125. On the other hand, corporate social responsibility directly negatively affects firm value, with a Beta (β) value of -0.319. This means corporate social responsibility indirectly affects firm value more than direct influence, with a comparison value of -0.125 > -0.319. Based on the above analysis, it can be concluded that financial performance significantly cannot mediate the effect of corporate social responsibility on firm value, so the hypothesis (H13) is rejected. The results of this study are in line with research conducted by Hidayah & Wijaya (2022) which explains that corporate social responsibility has no significant effect on financial performance, and Sabatini & Sudana (2019) explains that corporate social responsibility has a significant negative effect on firm value.

4. CONCLUSIONS AND RECOMMENDATIONS

Based on the research results above, it can be concluded that family ownership can have a significant positive effect on firm value, agency cost has a positive and significant effect on firm value, environmental performance has no significant effect on firm value, corporate social responsibility has a negative and significant effect on firm value, financial performance has a positive and significant effect on firm value. In contrast, family ownership has no significant effect on financial performance, agency cost has a negative and significant effect on financial performance, environmental performance has a negative and significant effect on financial performance, and corporate social responsibility has no significant effect on financial performance. Research on indirect effects shows that financial performance does not mediate the effect of family ownership, agency cost, environmental performance, or corporate social responsibility on firm value.

Several limitations need to be improved or developed by future researchers. The limitations of this research are: (1) the subjects in this study are only limited to food & beverage sub-sector manufacturing companies that are family businesses and are registered with PROPER, so this study cannot describe the condition of the company as a whole (2) this research is only limited to 3 (three) periods, namely 2020, 2021, and 2022 so this limits the research in describing the overall analysis results. (3) this research is limited to the variables used, namely family ownership, agency costs, environmental performance, corporate social responsibility, and financial performance, so there are still other variables that can affect firm value.

Based on some of the limitations described above, several suggestions can be given which may be helpful for further research, including: (1) Further research is recommended to add other sectors and sub-sectors to the research subjects so that the research results do not focus on manufacturing companies only. However, it can also describe the company's condition as a whole. (2) Future research is expected to increase the research period to see more details about the company's future development so that the research does not focus on three periods. (3) Future research is expected to add or replace other variables that can affect firm value as a whole, such as growth opportunity, firm size, leverage, and others, so that the research results can explain in more detail the factors that can increase or decrease firm value.

Based on the results of the study, the implications of this study indicate that it is important to pay attention to family ownership, agency cost, financial performance, and CSR that can affect firm value rather than focusing on environmental performance that does not provide changes in stock market value and shareholders' investment decisions. Family ownership in the management of the company shows a high commitment that motivates the growth of the company in the long term. Agency cost expenditure can reduce agency conflicts and increase transparency through a good level of supervision. CSR should be given more attention so that CSR actions generate less cost and can provide comparable returns.

Then, the implications of this study also show that it is important to pay attention to agency costs and environmental performance that can reduce financial performance rather than focusing on family ownership, which often not all family members have sufficient qualifications to influence financial performance and CSR that do not have information related to financial performance and do not provide influence for investors in investment considerations. Agency costs that are too high can reduce the level of company profits, so it becomes a challenge for companies to maintain financial performance, environmental performance often also requires certain costs, which can later become a burden that can reduce company profits even before the benefits can be seen. Based on the results of the above implications, it also shows the importance of paying attention to the direct influence of family ownership, agency costs, environmental performance, and CSR on firm value and does not require financial performance as an intermediary (mediation). Companies must pay wider and clearer attention to what factors can affect firm value, then maximize factors that can increase firm value and minimize all factors that can reduce firm value.

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