

PalArch's Journal of Archaeology
of Egypt / Egyptology

NEW DETERMINANTS OF FUTURE SHARE PERFORMANCE: IMPACTS
OF SUSTAINABILITY REPORTING

Samuel Anindyo Widhoyoko

Podomoro University

APL Tower, Podomoro University

Jl. Letjen S. Parman, no. 28. Tanjung Duren, Grogol Petamburan

West Jakarta, Indonesia

samuel.anindyo@podomorouniversity.ac.id

Samuel Anindyo Widhoyoko: New Determinants of Future Share Performance: Impacts of Sustainability Reporting -- PalArch's Journal Of Archaeology Of Egypt/Egyptology 18(1). ISSN 1567-214x

Keywords: Future Share Performance, Balanced Scorecard, Sustainability Reporting, Triple Bottom Line.

ABSTRACT

Sustainability reporting is required to sound corporate accountability and good governance implementation. While stakeholders are widely diversified, companies must ensure their future performance excellence. As a paradigm demanding business to exercise its activities to be liable for society and environment as well as investors, there must be a solution to protect those interests. This research proposes a new analysis on how sustainability reporting could enhance future corporate share performance by embracing triple bottom line (TBL) reporting and balanced scorecard (BSC) disclosure as predictors. To maintain its objectivity, this research involves several control variables covering both financial and non-financial aspects. The method chosen embraces several techniques, including literature review, content validation, and statistical calculation. The results of a regression analysis suggest that all TBL reporting elements and internal good governance practices are associated positively with future share performance. This research also reveals that economic security is the foundation of future performance, which can be achieved through CSR and environmental program refinement.

INTRODUCTION

Business has growing requisites on disclosure beyond reporting accountability. Corporate social responsibility (CSR) requires business to be responsible for social, environmental, and financial (Elkington, 1998). However, demands on internal governance and performance excellence are inevitable (Huang, Pepper & Bowrey, 2014). Thus, finance is an unparalleled factor for which sustainability could take place in the future when favorable corporate performance is shown financially, socially, and environmentally (Mintz, 2011). Meanwhile, there is an absence of investigation in sustainability research of its impacts on future stock performance. This

research also provides new horizons related to inherited factors of which, certain complexity are inevitable for business analysis (Assunção, Luca & Vasconcelos, 2016). In other words, sustainability must be analyzed using the most acceptable financial measurement of the company's future performance by examining associations between the elements of sustainable reporting towards future share performance.

LITERATURE REVIEW

Triple Bottom Line (TBL) Reporting

Corporate sustainability is a broad term defining how an enterprise could manage interactions between stakeholders and execute a business plan in the best interest of all stakeholders by maximizing benefits and minimizing hazards (Amran & Keat Ooi, 2014) which embraces corporate social responsibility (CSR) (Elkington, 1998). Accordingly, going concern principle accounting embraces sustainability, whereas stakeholders expect to benefit from the company's performance in the foreseeable future. Several transformational frameworks have been executed to open possibilities for environmental accounting to act towards social empowerment and environmental preservation (Godfrey, Hodgson, Tarca, Hamilton & Holmes, 2010).

Elkington (1998) explains economists' obsolescence in the social cost estimation responding misconducts through cost-based approach. Business misconduct culminated on its downfall is assumed to be prevented through social value (Elkington, 1998). In response, future industrial requirements are likely to emphasize the product life-cycle and customer expectations influenced by growing concerns related to the environment, such as global warming and energy scarcity (Elkington, 1994). This is proven by the fact that current trends of Malaysian manufacturing companies focus more on sustainable business processes rather than product innovation.

The initiation of triple bottom line (TBL) gives directions on how manageable social and environmental issues can be transformed into an economic value (Elkington, 1998). This theory leads to the formation of the quantification model based on the guidance provided by the Global Reporting Initiative (GRI) for each assessment element to maintain its relevance (Global Reporting Initiative, 2014). Therefore, TBL is proposed by this research to portray actual business circumstances represented by company policies in finance, social contributions and environmental impact.

Several studies prove accounting policy to be a diagnostic tool for companies in particular circumstances. Based on these, companies' efforts in sustainability in accordance with TBL are represented by disbursement of CSR funds into targeted receptors, implementation of environmental programs (Linster, 2003; Burritt, 2012), and companies' capital adequacy as shown by positive retained earnings (Al-Troudi & Milhem, 2013).

Balanced Scorecard (BSC) Disclosure

BSC is a structured corporate performance measurement system with four aspects: financial performance, customer engagement, internal governance, and learning and growth which has been encountering various development in strategic management as well as embedding it to future performance measurement (Kaplan & Norton, 2001). BSC's adoption in management

accounting helps to develop a model for managerial decision support which is built on the sustainability notion, whereas financial performance would be less influential (Lawrie & Cobbold, 2004). Studies prove that BSC serves as: (1) a convenience in business strategy communicating (Malina & Selto, 2001), (2) a tool improving procurement efficiency (Malmi, 2001), and (3) a methodology to boost financial performance (Davis & Albright, 2004).

However, the use of BSC in research can be affected by company size and long-term debt as managerial inherited factors (Hoque & James, 2000). Meanwhile, there is a reluctance in small and medium enterprises (SMEs) to apply BSC due to concise bureaucracy and procedures considering cost efficiency more than security aspects (Chenhall & Langfield-Smith, 2007). In addition, some enterprises adopt BSC with additional features based on its nature (e.g. safety procedures and codes of conduct due to the causal link between the components and processes) (Yu & Crowe, 2008). Therefore, as BSC's business interpretations are varied, it is important to build a suitable parameter for specific business circumstances (Soderberg, Kalagnanam, Sheehan & Vaidyanathan, 2011).

This research uses several parameters for BSC's measurement. First, return on assets (ROA) is considered as an accounting-based measurement for the use of historical data (Al-Matari, Al-Swidi & Fadzil, 2014). Furthermore, ROA indicates a company's effectiveness in asset utilization benefiting shareholders (Haniffa & Hudaib, 2006). Furthermore, the customer satisfactory index (CSI) is chosen to measure customer satisfaction. Several findings show how CSI relies on the regional aspect, which is considered to be the most objective assessment (Fornell, Johnson, Anderson, & Bryant, 1996; M. D. Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001; Kim, 2005)

On the other hand, empirical studies across developing countries suggest that corporate governance (CG) in Indonesia can be measured through metrics provided by Board of Finance and Development Control (*Badan Pengawasan Keuangan dan Pembangunan*) and Forum of Corporate Governance Indonesia (FCGI). Finally, training programs are linked to employees' performance (Kirkpatrick, 2012), attitudes (Saari & Judge, 2004), and satisfaction (Ozturan & Kutlu, 2010). Hughey and Mussnug (2000) argue that the key of strategic training is through implementation of structured competence-based program held sequentially. In other words, training quality lies in the number of training sessions (Hughey & Mussnug, 2000).

The Relevance of Measurement

The best measurement of stock is derived equity valuation. First, earnings per share (EPS) provide historical views merely on how much the company's income might be influencing stock prices (Bhatt & Sumangala, 2012). Secondly, the price-to-earnings (P/E) ratio informs the valuation through comparison between market value and EPS, which has closer estimation to short-term forecasting (Fernandez, 2013). Finally, a study shows that net worth analysis is the most pivotal factor affecting valuation in which Tobin's Q ratio is used due to its market-based nature (Al-matari et al., 2009).

Theoretically, sustainability measurement using CG cannot be objectively done without company size calculation through book value of assets

(Assunção et al., 2016). However, CG assessment is considered to be unreliable without company size (Fauziah, Yusoff & Alhaji, 2012; Kolk, 2010). Another financial aspect used is leverage, which portrays a company's minimum investment opportunities which ends up to negative growth (Lang, Ofek & Stulz, 1996). Moreover, leverage inclination might indicate earnings management due to inefficient operations (Beneish, 1999), which is shown in declining interest coverage ratios in each period (Soon, 2013).

In addition, the existence of sustainability reporting review can be considered important. It can be embedded in internal audits, as such reports can be used as a secondary source of external audits (Todea, Stancin & Joldos, 2011). The effect of this program helps the company to engage in sustainability objectives. Company could gain value from stakeholders' intensification accountability programs and internal communication enhancement (Kerr, Rouse & de Villiers, 2015). Finally, CG's complexity can be explained through this effect. This is determined through the proportion of foreign share capital and overseas revenue (Assunção et al., 2016). Another study shows the problems of employees' work pressure due to international performance reporting (Lu Tran Diem, 2016).

MATERIALS AND METHODS

Materials

This research analyzes 40 enterprises listed on the Indonesian Stock Exchange (ISE) in the consumer goods business line, which are acknowledged for their fulfilment of sustainability requirements. This research extracts data from numerous published reports (i.e., audited financial statements, corporate sustainability report, and balance scorecard disclosures).

Methods

First, a literature review is used to gain knowledge for the philosophical concept of the theory, whereas there is no definite measurement and subjective reliance through precedent (Cooper, 1999). The model built must be confirmed to ensure its regional suitability (Sasmoko & Ying, 2015) focus group discussion (FGD) using a semantic differential scale (Habibi, Sarafrazi & Izadyar, 2014). Finally, statistical calculation is used in sequence to find associations between independent and dependent variables. It encompasses normality, multi-collinearity, linearity, and a multiple regression test (Johnson & Wichern, 2008).

Model

The result shows that most respondents accept the model and its quantification by 73.08% of confidence level (5% accepted errors). Those figures range from 5.90 (more likely to accept) to 6.26 (accept). The average respondents accept the model (24.34 out of 28 of mean) including the outstanding figure, indicating the majority of respondents' logical acceptance of the model (27 out of 28).

Table 1. *Confidence Interval of Research Model*

Mean	24.34280	Minimum	21	Scale
Median	25	Maximum	28	Articulation:

Mode	27	Count	35
Standard Deviation	2.12745	Confidence Level	0.73081
Sample Variance	4.52605	Upper Bound	25.07361
Range	7	Lower Bound	23.61200
			5.90299875

This research forms the regression model.

$$FSPR = \alpha + \beta_1 SOCL + \beta_2 ENVI + \beta_3 ECON + \beta_4 FINC + \beta_5 CUST + \beta_6 INTR + \beta_7 LRGW + \beta_8 COMZ + \beta_9 SUSR + \beta_{10} OVHD + \beta_{11} LEVR + \epsilon$$

Hypotheses

Table 2. Variable Definitions

Variable	Expectation	Definition
FSPR		Future Share Performance (Tobin's Q ratio)
SOCL	+	Social Responsibility (Natural logarithms of company's CSR disbursement)
ENVI	+	Environment Sustainability (Proportion of disclosed environmental program towards OECD's 10-factor environmental performance indicator)
ECON	+	Economic Security (Natural logarithms of company's current retained earnings)
FINC	+	Financial performance (Proportion of return on assets (ROA) calculated by dividing net income to total assets)
CUST	+	Customer Satisfaction (Natural logarithms of CSI generated through Likert scale used by customer surveyors; i.e., 1: very poor, 2: poor, 3: fair, 4: good, and 5: excellent)
INTR	+	Internal Governance (Natural logarithms of CG index provided by <i>BPKP</i>)
LRGW	+	Learning and Growth (Natural logarithms of employee training program)
COMZ	-	Company Size (Natural logarithms of company's total assets)
LEVR	-	Leverage Ratio (Proportion of total debts towards total assets)
OVHD	+	Overseas Headquarters (Dichotomous variable of overseas headquarters; i.e., 0 for "no" and 1 for "yes")
SUSR	+	Sustainability Review (Dichotomous variable of internal audit in the scope of sustainability program; i.e., 0 for "no" and 1 for "yes")

Reporting fairness is one of the factors influencing investors to consider the investment decision. Kolk (2010) provides findings regarding European and Japanese countries that are aware of external verification, which influences investors and customers' perception, while American companies place more emphasis on legal compliance, as investors are heavily influenced

by regulators' perspective. As both external opinions necessitate sustainable aspects to be fulfilled, it is confirmed that investors' reliance on such information is dominated by sustainability issues (Kolk, 2010).

Furthermore, GRI affects corporate market valuation, with book value and earnings as the controlling aspects (Miralles-Quiros *et al.*, 2016). Specifically, the investigation to find the effects of sustainability reporting elements on company performance suggests that all aspects are associated with company performance (Burhan & Rahmanti, 2012). In addition, sustainability measurement through environmental programs shows a negative impact on ROA and ROE (Dobre *et al.*, 2015) and stock returns in China (Li & Wu, 2017). This leads to three hypotheses:

- *H1: Social responsibility is positively associated with future share performance.*
- *H2: Environmental sustainability is positively associated with future share performance.*
- *H3: Economic security is positively associated with future share performance.*

As the pole of future performance in this research is pointed, financial performance is predicted to be almost undoubtedly associated with stock performance. Accordingly, ROA is the most reliable financial performance parameter, as it is grounded on accounting-based measurement (Al-matari *et al.*, 2009). In the light of customer satisfaction, the higher CSI is likely to show consumers' trust, quality of the product and after-sales services (Zhang, Gang & Jjanwen, 2010). Such performances are considered as other forces elevating market valuation (O'Sullivan & McCallig, 2012).

Furthermore, organizational drivers can be measured both quantitatively (Brennan & Solomon, 2008; Manaligod, 2012; Siregar & Tenoyo, 2015) and qualitatively (Ball, Jayaraman & Shivakumar, 2012; Mironiuc, Robu & Robu, 2012). However, it must be contextualized in the light of regional requirements (Warganegara, Saputra & Anggraini, 2013). Finally, company growth relies on efficiency caused by decisions in measuring employees knowledge, skills, and attitudes (Competency, 2013). Furthermore, most successful American companies with positive returns have competent employees (Robbins, Judge & Hasham, 2009). Four hypotheses are proposed based on BSC's elements:

- *H4: Financial performance is positively associated with future share performance.*
- *H5: Customer satisfaction is positively associated with future share performance.*
- *H6: Internal governance is positively associated with future share performance.*
- *H7: Learning and growth are positively associated with future share performance.*

RESULTS AND DISCUSSION

Normality Test

A normality test is done through proportion estimation by using Blom's estimation formula, which results in a P-P plot. The results show that all variables distribute normally with no symptoms of sines and cosines.

Linearity and Collinearity Test

Table 3. *Linearity and Multi-Collinearity Test*

Variables		Deviation from Linearity*		VIF**
Dep.	Indep.	F	Sign.	
FSPR	SOCL	0.529	0.823	0.828
	ENVI	1.612	0.184	0.364
	ECON	1.180	0.229	17.878
	FINC	2.140	0.131	2.167
	CUST	1.831	0.124	0.517
	INTR	6.206	0.083	0.973
	LRGW	0.887	0.594	1.060
		1.360	0.371	11.133
	COMZ			
LEVR	0.808	0.698	1.038	
OVHD	0.008	0.930	1.050	
SUST	0.102	0.751	2.123	

The result shows that all values of F and deviation from linearity are positive and below 0.05, confirming that all independent variables are linear to FSPR. Furthermore, the result of the multi-collinearity test suggests that the 9 independent variables are only at the level of moderately correlated since ranged from 1 to 5. In contrast, FINC and COMZ have $VIF > 5$, which means those variables are inter-correlated. Theoretically, as financial proxies are used, FINC and COMZ are associated through the amount of assets, whereas FINC measures financial performance via ROA using COMZ's measurement (via total assets) as ratio denominator. In other words, this phenomenon is categorized to fulfil the law of correspondence of social science research.

Multiple Regression Test

The regression result shows that all TBL elements are associated significantly positively with FSPR. Furthermore, only INTR (one variable from BSC) is positively associated, whereas the rest of the variables reject the hypotheses. In addition, all control variables are proven to be negatively associated, and COMZ and LEVR influence FSPR significantly. Overall, this model is proven to produce high F_{reg} with 31.795 in $\alpha < 0.01$. Variance determination depicted through adjusted R^2 shows 0.897 meaning that the model represents the economic condition for 89% with only 7% factor of residual (1.806) in population.

Table 4. *Analysis on Regression Model towards FSPR*

Model Summary		Analysis of Variance	
R	0.962	Reg. (in x^2)	22.562
R²	0.926	Residual	1.806
Adjusted R²	0.897	F	31.795

Table 5. Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	.259	1.178		.220	.827
SOCL	4.587E-07	.000	.307	2.516	.018
ENVI	.870	.322	.168	2.701	.012
ECON	2.844E-07	.000	.912	3.797	.001
FINC	-1.034	3.537	-.031	-.292	.772
CUST	-.025	.027	-.054	-.945	.353
INTR	.037	.015	.186	2.457	.020
LRGW	-.005	.007	-.037	-.706	.486
COMZ	-1.267E-08	.000	-.275	-1.535	.136
LEVR	-1.355	.631	-.195	-2.147	.041
OVHD	-.008	.088	-.005	-.090	.929
SUST	-.054	.090	-.035	-.601	.552

Initially, this research proves that TBL's existence could influence future share performance. This result corresponds to research on American companies explaining that stakeholder demands pressuring company executives could help to enhance sustainability through TBL disclosure (Nazari, Herremans & Warsame, 2015). Therefore, this research provides a solution for companies working on their future performance, whereas embracing and responding to all diversified stakeholders' needs can be done through sustainability reporting centered on TBL (Amran & Keat Ooi, 2014). The solution is provided by Teh, Ong, Jaffar & Masoudi (2015) in a study on a Malaysian sustainability model, which argues that companies must emphasize the business process to elevate TBL-based sustainability performance (Teh *et al.*, 2015).

Discussion is business process excellence is pointed out through BSC disclosure (Kaplan & Norton, 2001). However, the result rejects FINC, CUST, and LRGW as factors triggering future performance. First, ROA is proven to be an unreliable factor since the majority of businesses engage more in social responsibilities and non-monetary disclosures (Said, Theng, Senik, Yusri & San, 2015). Further, the result on CUST is contradictory to several findings (O'Sullivan & McCallig, 2012; Tuli & Bharadwaj, 2009). LRGW's result also contradicts an assumption that employees' competence and satisfaction could boost company performance (Robbins *et al.*, 2009). To respond, Ibrahim, Ab Rahman, Yasin, Ramli & Ahweda (2016) suggests an integration between employee training and customer satisfaction. It explains

that a training program is not grounded on employees' competences but on customer needs regarding service excellence (Ibrahim *et al.*, 2016).

However, an obvious result is shown by INTR as a factor improving FSPR. This result corresponds to majority findings (Ball *et al.*, 2012; Brennan & Solomon, 2008; Manaligod, 2012; Siregar & Tenoyo, 2015). Fundamentally, good corporate governance (GCG) principles must embrace all entire corporate stakeholders in value compliance and risk assessment (Widhoyoko, 2017). The GCG code is expected to adopt requirements of social, environmental, and economic responsibility, in which someone appointed as corporate environmental controller must adhere this code (Kiel, 2005). In addition, GCG must also have the shape of an information system, whereas GCG could provide structural and transparent cross-sectional verification to diminish information asymmetry (Widhoyoko, 2018). Theoretically, enhanced GCG is likely to be followed by financial, customer engagement, and employee performance in a long-run.

All control variables are associated negatively towards FSPR with COMZ and LEVR which are at significant point ($\alpha < 0.05$). As a company gets bigger in its volume, stakeholders will likely demand a more sustainable program that forces management to grope more funds disbursement which might favor only particular stakeholders. In other words, there is a climax, whereas a company may no longer practice further sustainability program with opportunity cost as a consideration (Burritt, 2012). Companies with bigger assets are usually prone to misconduct, as internal control limitation towards scope of supervision (Buckoff & Morris, 2002). Furthermore, as leverage is viewed as a form of management turnover inefficiency, the higher leverage has a negative influence on future performance (Smith & Wood, 2008).

Furthermore, internationalization usually place directors under pressure due to higher overseas board of executives' demands causing volatility (Prawitt, Smith & Wood, 2008). This might not prevail in Indonesia considering complications on regional regulatory (Widhoyoko, Sasmoko, Nasir, Manalu & Indrianti, 2018) requirements versus structural international requirements (explained clearly by GRI-G4 notes) (Global Reporting Initiative, 2014). Meanwhile, a sustainability program embedded in an audit is found not to influence FSPR. This result corresponds to a failure of sustainability-financial performance moderation through audit quality (Dewi & Monalisa, 2016). This can be examined through particular aspects affecting internal audit quality: auditors' specialization, organizational complexity, corporate growth, and examination effectiveness (Prawitt *et al.*, 2009).

A Key for Change

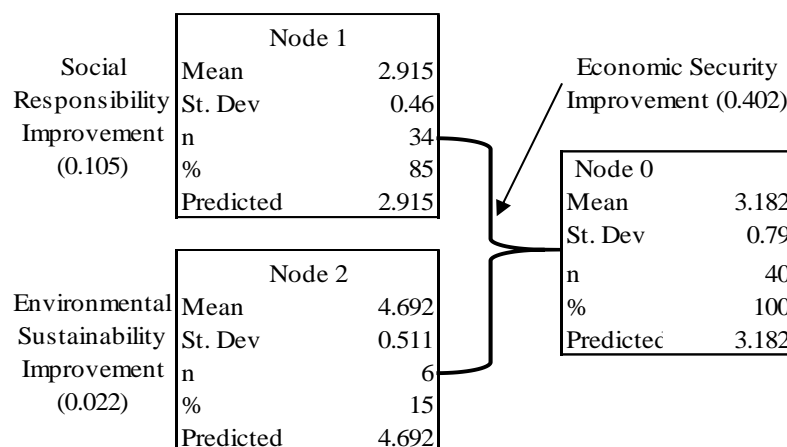


Figure 1. Decision Tree Analysis

It is recommended that companies focus on TBL's reporting to enhance future share performance. This research emphasizes economic security as a pivotal driver, which can be improved through social responsibility and environmental sustainability refinement. The key of such development would be on CSR programs, which could contribute 85%; meanwhile, an environmental program requires enterprises only to comply with 10 performance key performance and avoid business ecological hazards.

CONCLUSIONS

As the sustainability business concept has been practiced by a majority of businesses, the rise of demands towards external and internal stakeholders' social, environmental, and economical practices is inevitable. As sustainability is measured by stock-based future performance, by including TBL's and BSC's elements as predictors, including the control variables, it is found that all of TBL's elements are positively associated with FSPR, while only internal governance practices as a BSC's element which supports future performance. In addition, decision tree analysis provides an identical solution, whereas current economic security is a determinant for future share performance, which relies upon the sustainability of CSR and environmental programs processed through good governance practices.

REFERENCES

- Al-Matari, E. M., Al-Swidi, A. K., & Fadzil, F. H. B. (2014). The measurements of firm performance's dimensions. *Asian Journal of Finance & Accounting*, 6(1), 23 – 49.
<https://doi.org/10.5296/ajfa.v6i1.4761>
- Al-Troudi, W. & Milhem, M. (2013). Cash dividends, retained earnings and stock prices: Evidence from Jordan. *Journal of Business Finance and Accounting*, 4(april 2013), 15.
- Amran, A., & Keat Ooi, S. (2014). Sustainability reporting: meeting stakeholder demands. *Strategic Direction*, 30(7), 38 – 41.
<https://doi.org/10.1108/SD-03-2014-0035>
- Assunção, R. R., Luca, M. M. M., & Vasconcelos, A. C. de. (2016). Complexity and corporate governance: an analysis of companies listed on the BM & FBOVESPA *. *Revista Contabilidade &*

- Finanças*, 28 (July 2015), 213 – 228.
<https://doi.org/10.1590/1808-057x201702660>
- Ball, R., Jayaraman, S., & Shivakumar, L. (2012). Audited Financial Reporting and Voluntary Disclosure as Complements: A test of the Confirmation Hypothesis. *Journal of Accounting and Economics*, 53 (1–2), 136 – 166.
<https://doi.org/10.1016/j.jacceco.2011.11.005>
- Beneish, M. D. (1999). The Detection of Earnings Manipulation. *Financial Analysts Journal*, 55(5), 24–36.
<https://doi.org/10.2469/faj.v55.n5.2296>
- Bhatt, P., & Sumangala, J. K. (2012). Impact of Earnings per share on Market Value of an equity share: An Empirical study in Indian Capital Market. *Journal of Finance, Accounting and Management*.
- Brennan, N. M., & Solomon, J. (2008). Corporate Governance, Accountability and Mechanisms of Accountability. *Accounting, Auditing and Accountability Journal*, 21(2008), 885–906.
- Buckoff, T. A., & Morris, T. W. (2002). Preventing employee fraud by minimizing opportunity. *CPA Journal*.
- Burhan, A. H. N., & Rahmanti, W. (2012). The impact of sustainability reporting on company performance. *Journal of Economics, Business, and Accountancy Ventura*, 15(2), 257–272.
- Burritt, R. L. (2012). Environmental performance accountability: Planet, people, profits. *Accounting, Auditing & Accountability Journal*, 25(2), 370–405. <https://doi.org/10.1108/09513571211198791>
- Chenhall, R. H., & Langfield-Smith, K. (2007). Multiple Perspectives of Performance Measures. *European Management Journal*, 25(4), 266–282. <https://doi.org/10.1016/j.emj.2007.06.001>
- Coase, R. (1960). The Problem of Social Cost. *The Journal of Law and Economics*. <https://doi.org/10.1525/sp.2007.54.1.23>.
- Competency, L. (2013). Competency Mapping. *Training*. <https://doi.org/10.1017/CBO9781107415324.004>
- Cooper, H. (1999). *Synthesizing research: a guide for literature reviews*. *Applied social research methods series* (Vol. 3rd).
- Davis, S., & Albright, T. (2004). An investigation of the effect of Balanced Scorecard implementation of financial performance. *Management Accounting Research*, 15(2), 135–153.
<https://doi.org/10.1016/j.mar.2003.11.001>
- Dewi, K., & Monalisa. (2016). Effect of Corporate Social Responsibility Disclosure on Financial Performance with Audit Quality as a Moderating Variable. *Binus Business Review*, 7(2), 149.
<https://doi.org/10.21512/bbr.v7i2.1687>
- Dobre, E., Stanila, G., & Brad, L. (2015). The Influence of Environmental and Social Performance on Financial Performance: Evidence from Romania's Listed Entities. *Sustainability*, 7(3), 2513–2553. <https://doi.org/10.3390/su7032513>
- Elkington, J. (1998). *Cannibals with Forks: the Triple Bottom Line of 21st Century Business*. *Conscientious Commerce*. <https://doi.org/10.865713928>
- Elkington, J. (1994). Towards the sustainable corporation: win– win–win business strategies for sustainable development. *California*

- Management Review*, 36(2), 90 – 100.
<https://doi.org/10.2307/41165746>
- Fauziah, W., Yusoff, W., & Alhaji, I. A. (2012). Insight of Corporate Governance Theories. *Journal of Business & Management*, 1(1), 52– 63.
- Fernandez, P. (2013). Price to Earnings Ratio, Value to Book Ratio and Growth. *SSRN Electronic Journal*, 27-.
<https://doi.org/10.2139/ssrn.2212373>
- Fornell, C., Johnson, M. D., Anderson, E. W., & Bryant, B. E. (1996). The American Customer Satisfaction Index: Nature, Purpose and Findings. *Journal of Marketing*, 60(4), 7 – 18.
<https://doi.org/10.2307/1251898>
- Global Reporting Initiative. (2014). G4 Sustainability Reporting Guidelines. *Reporting Principles and Standards Disclosure*. Retrieved from <https://www.globalreporting.org/standards/g4/Pages/default.aspx>
- Godfrey, J., Hodgson, A., Tarca, A., Hamilton, J., & Holmes, S. (2010). *Accounting Theory*. John Wiley & Sons, Inc.
- Habibi, A., Sarafrazi, A., & Izadyar, S. (2014). Delphi technique theoretical framework in qualitative research. *The International Journal of Engineering and Science*, 2319–1813. [https://doi.org/10.1016/S0169-2070\(99\)00018-7](https://doi.org/10.1016/S0169-2070(99)00018-7)
- Haniffa, R., & Hudaib, M. (2006). Corporate governance structure and performance of Malaysian listed companies. *Journal of Business Finance and Accounting*, 33(7–8), 1034–1062.
<https://doi.org/10.1111/j.1468-5957.2006.00594.x>
- Hoque, Z., & James, W. (2000). Linking Balanced Scorecard Measures to Size and Market Factors: Impact on Organizational Performance. *Journal of Management Accounting Research*, 12(1), 1–17. <https://doi.org/10.2308/jmar.2000.12.1.1>
- Huang, T., Pepper, M., & Bowrey, G. (2014). Implementing a sustainability balanced scorecard to contribute to the process of organisational legitimacy assessment. *Australasian Accounting, Business and Finance Journal*, 8(2), 15–34.
<https://doi.org/10.14453/aabfj.v8i2.3>
- Hughey, A. W., & Mussnug, K. J. (2000). Designing effective employee training programmes. *Training for Quality*, 5(2), 52–57.
<https://doi.org/10.1108/09684879710167638>
- Ibrahim, M. Z., Ab Rahman, M. N., Yasin, R. M., Ramli, R., & Awgheda, A. (2016). Customer focus practice among skills training institutions in Malaysia and the performance of Organisations. *Pertanika Journal of Social Sciences and Humanities*, 24(April), 205– 218.
- Johnson, M. D., Gustafsson, A., Andreassen, T. W., Lervik, L., & Cha, J. (2001). The evolution and future of national customer satisfaction index models. *Journal of Economic Psychology*, 22(2), 217–245. [https://doi.org/10.1016/S0167-4870\(01\)00030-7](https://doi.org/10.1016/S0167-4870(01)00030-7)
- Johnson, R. A., & Wichern, D. W. (2008). *Applied Multivariate Statistical Analysis*. Pearson Education International.

- <https://doi.org/10.1198/tech.2005.s319>
- Kaplan, R. S., & Norton, D. P. (2001). Transforming the BSC from performance measurement to strategic management: part I. *Accounting Horizons*, 15(1), 87–104. <https://doi.org/10.2308/acch.2001.15.1.87>
- Kerr, J., Rouse, P., & de Villiers, C. (2015). Sustainability reporting integrated into management control systems. *Pacific Accounting Review*, 27(2), 189–207. <https://doi.org/10.1108/PAR-08-2012-0034>
- Kiel, G. C. (2005). Evaluating Boards and Directors. *Corporate Governance: An International Review*, 13, 613–631.
- Kim, H.-R. (2005). Developing an index of online customer satisfaction. *Journal of Financial Services Marketing*, 10(1), 49–64. <https://doi.org/10.1057/palgrave.fsm.4770173>
- Kirkpatrick, D. L. (2012). Integrating Training and Performance Appraisal. *Training*, 49(4), 12 – 13.
- Kolk, A. (2010). Sustainability, Accountability, and Corporate Governance: Exploring Multinationals' Reporting Practices. *Business Strategy and the Environment*, 1–18.
- Lang, L., Ofek, E., & Stulz, R. M. (1996). Leverage, investment, and firm growth. *Journal of Financial Economics*, 40(1), 3–29. [https://doi.org/10.1016/0304-405X\(95\)00842-3](https://doi.org/10.1016/0304-405X(95)00842-3)
- Lawrie, G., & Cobbold, I. (2004). Third generation balanced scorecard: evolution of an effective strategic control tool. *International Journal of Productivity and Performance Management*, 53(7), 611 – 623. <https://doi.org/10.1108/17410400410561231>
- Li, B., & Wu, K. (2017). The price of environmental sustainability: Empirical evidence from stock market performance in China. *Sustainability*, 9(8), 1452. <https://doi.org/10.3390/su9081452>
- Linster, M. (OECD). (2003). *OECD Environmental Indicators: development, measurement, and use*. SNUC - Sistema Nacional de Unidades de Conservação (Vol. 25). <https://doi.org/10.1016/j.infsof.2008.09.005>
- Lu Tran Diem. T. (2016). *The Effect of Auditors' Workload, Pressure, and Compression on Audit Quality*.
- Malina, M. A., & Selto, F. H. (2001). Communicating and controlling strategy: An empirical study of the effectiveness of the balanced scorecard. *Journal of Management Accounting Research*, 13(1), 47 – 90. <https://doi.org/10.2308/jmar.2001.13.1.47>
- Malmi, T. (2001). Balanced scorecards in Finnish companies: A research note. *Management Accounting Research*, 12(2), 207–220. <https://doi.org/10.1006/mare.2000.0154>
- Manaligod, M. G. T. (2012). Related Party Transactions. *American International Journal of Contemporary Research*, 2(5), 26–31.
- Mintz, S. M. (2011). Triple Bottom Line Reporting for CPAs. *The CPA Journal* 81(12), 26–33.
- Mironiuc, M., Robu, I.-B., & Robu, M.-A. (2012). The fraud auditing: Empirical study concerning the identification of the financial dimensions of fraud. *Journal of Accounting and Auditing*:

- Research & Practice*, 2012, 1–13.
<https://doi.org/10.5171/2012.391631>
- Nazari, J. A., Herremans, I. M., & Warsame, H. A. (2015). Sustainability reporting: external motivators and internal facilitators. *Corporate Governance: The International Journal of Business in Society*, 15(3), 375–390. <https://doi.org/10.1108/CG-01-2014-0003>
- O’Sullivan, D., & McCallig, J. (2012). Customer satisfaction, earnings and firm value. *European Journal of Marketing*, 46(6), 827–843. <https://doi.org/10.1108/03090561211214627>
- Ozturan, M., & Kutlu, B. (2010). Employee satisfaction of corporate e-training programs. In *Procedia - Social and Behavioral Sciences* (Vol. 2, pp. 5561–5565). <https://doi.org/10.1016/j.sbspro.2010.03.907>
- Prawitt, D. F., Smith, J. L., & Wood, D. A. (2009). Internal audit quality and earnings management. *The Accounting Review*, 84(4), 1255–1280. <https://doi.org/10.2308>
- Robbins, S. P., Judge, T. A., & Hasham, E. S. (2009). *Organizational Behavior*. Pearson Education Limited.
- Saari, L. M., & Judge, T. A. (2004). Employee attitudes and job satisfaction. *Human Resource Management*, 43(4), 395–407. <https://doi.org/10.1002/hrm.20032>
- Said, R. M., Theng, L. T., Senik, R., Yusri, Y., & San, O. T. (2015). The state of sustainability disclosure and effects on companies’ financial performance. *Pertanika Journal of Social Sciences and Humanities*, 23(S), 99–118.
- Sasmoko, & Ying, Y. (2015). Construct validity in neuroresearch. *Advanced Science Letters*, 21(7), 2438–2441. <https://doi.org/10.1166/asl.2015.6301>
- Siregar, S. V., & Tenoyo, B. (2015). Fraud awareness survey of private sector in Indonesia. *Journal of Financial Crime*, 22(3), 329–346. <https://doi.org/10.1108/JFC-03-2014-0016>
- Smith, J. L., & Wood, D. A. (2008). Internal audit quality and earnings management. *Social Science Research Network*, 1–40.
- Soderberg, M., Kalagnanam, S., Sheehan, N. T., & Vaidyanathan, G. (2011). When is a balanced scorecard a balanced scorecard? *International Journal of Operations & Production Management*, 60(7), 688–708. <https://doi.org/10.1108/17410401111167780>
- Soon, K. W. K. (2013). *Earning Management: Is it Good or Bad?* Kuala Lumpur.
- Teh, B. H., Ong, T. S., Jaffar, N., & Masoudi, S. Y. S. A. (2015). Sustainable performance measurement (SPMs) model: Effects of product technology and process technology. *Pertanika Journal of Social Sciences and Humanities*, 23(S), 17–38. Retrieved from <http://www.scopus.com/inward/record.url?eid=2-s2.0-84958235403&partnerID=40&md5=aae20a1aeacc21eb69ee2bf414ca6d15>
- Todea, N., Stanciu, I. C., & Joldos, A. M. (2011). Environmental Audit, A Possible Source of Information for Financial Auditors. *Annales*

- Universitatis Apulensis Series Economica*, 13(1), 66–74.
- Tuli, K. R., & Bharadwaj, S. G. (2009). Customer Satisfaction and Stock Returns Risk. *Journal of Marketing*, 73(6), 184–197. <https://doi.org/10.1509/jmkg.73.6.184>
- Warganegara, D. L., Saputra, M. A., & Anggraini, Y. (2013). State-owned enterprises and corporate governance strength: Evidence from Indonesia. *International Journal of Management and Business Research*, 3(4), 325–335.
- Widhoyoko, S. A. (2017). Fraud in rights and contracts a review of bankruptcy case of Livent Inc. based on Governance, Risk and Compliance (GRC) framework. *Binus Business Review*, 8(1), 31–39. <https://doi.org/10.21512/bbr.v8i1.1827>
- Widhoyoko, S. A. (2018). Improvement of Indonesian centralized procurement as a managerial tool for good governance practices in corruption prevention. *Advanced Science Letters*, 24(1), 328–330. <https://doi.org/10.1166/asl.2018.11999>
- Widhoyoko, S. A., Sasmoko, Nasir, L. A., Manalu, S., & Indrianti, Y. (2018). W.a.w (we are watching) smart app: Accommodating social perception towards public officers' performance. *Journal of Physics: Conference Series*, 978.
- Yu, L., & Crowe, S. (2008). Effectiveness of the balanced scorecard: The impact of strategy and causal links. *Journal of Applied Management Accounting Research*, 6(2), 37–55.
- Zhang, J., Gang, H., & Jianwen, Y. (2010). Business Model Innovation -- From Customer Value Perspective. In *2010 3rd International Conference on Information Management, Innovation Management and Industrial Engineering*, 400–403. <https://doi.org/10.1109/ICIII.2010.577>