Research Article

The Nexus Between Corporate Governance, CSR, and Firm Value: Tax Avoidance as an Intervening Variable

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Abstract.

This research investigates the role of tax avoidance in the relationship between corporate governance, firm value, and corporate social responsibility. The research design is explanatory research, through hypothesis testing. 175 manufacturing companies were observed from 2017 to 2021, with a sample size of 875. A panel regression and leverage acted as a control variable using SPSS software, after conducting models and robustness tests. The findings show the influence of tax avoidance on institutional ownership and economic corporate social responsibility (CSR). Tax avoidance partially mediates the relationship between institutional ownership and firm value, and fully mediates between economic CSR and firm value. The implication for academics and practitioners is that enabling corporate governance requires institutional owners to supervise the determination of company managerial policies. Additionally, the economic CSR program can reduce tax avoidance and is responded to positively by investors. The limitations of the research are that for the constant value to be significant, additional variables should be added to the model. Further research could include adding company performance, gender, and intellectual capital variables.

Keywords: corporate governance, corporate responsibility, tax avoidance, leverage, firm value

1. Introduction

This research aims to investigate the relationship between Corporate Governance, Corporate Social Responsibility (CSR) social, economic, and environmental CSR on firm value through tax avoidance. The phenomenon of the ownership structure of companies in Indonesia is interesting to investigate in relation to the decisions of investors in the Capital Market, which is influenced by the situation of the Presidential government system, which holds to "Trias Politics", namely the separation of powers, consist of Executive, Legislative, and legislative, based on the principle of "checks and balances", contained in the constitution 1945 Constitution which established a mixed economic

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system between the capitalist and the socialist. Based on the characteristics of the government and economic system, can form the attitude of corporate governance behavior of companies in Indonesia, which is represented by institutional share ownership, Independent Board of Commissioners, audit committee, and managerial ownership which can influence firm performance and relate to determining tax aggressiveness policies or tax avoidance [1,2]. In this case, the company's ownership structure actively participates in overseeing the determination of organizational managerial policies in an effort to improve organizational performance [3-5].

On the other hand, several previous studies regarding company ownership structure influence firm value which is reflected in stock market prices. This means that investors will respond to the existence of an institutional, managerial, independent board of commissioners and the proportion of the audit committee in determining the investors decision [1].

The novelty of this research reveals the influence of corporate governance components including institutional ownership, independent commissioners, and audit committees on firm value which is mediated by the role of the tax avoidance variable, and to obtain the validity of the model, it places leverage as a control variable. In a mixed economic system situation, it is suspected that not all components of corporate governance variables directly influence the firm value of the Tobin's Q, but can be revealed through tax aggressiveness [6,7]. Based on the background of the framework above, chronologically the stages of discussion of research articles in revealing the relationship between corporate governance, corporate social responsibility and firm value through tax avoidance are (1) introduction; (2) literature review and hypothesis; (3) method and research approach; (4) results and discussion; (5) conclusion and implication.

2. Literature Review and Hypotheses

2.1. Relationship between corporate governance and tax avoidance

Conceptually, the share ownership structure consisting of managerial ownership, ownership of an independent board of commissioners, institutional ownership and an audit committee can contribute to determining the company's managerial policies in a transparent and accountable manner, including determining tax aggressiveness policies, although empirically both tax avoidance can occur, based on justified legal regulations,

as well as tax minimization that is not based on regulations (tax avasion) [5,8,9]. Several methods that can be justified for carrying out tax avoidance based on applicable regulations include, applying the fixed asset depreciation method in accordance with tax regulations, then reducing taxable profits based on interest expenses of loans, and several other items that have been regulated in tax regulations.

Based on Sholikhah et al. [9] shows that institutional share ownership, independent commissioners, managerial ownership, and audit committees have an important role in carrying out tax planning for service companies. The novelty of this research model was developed in addition to examining the relationship between corporate governance components, and tax avoidance, it was developed by exploring the sustainability variables of companies that care to the environment by measuring social, economic, and environmental Corporate Social Responsibility (CSR) in relation to tax avoidance [1,8-10]. Based on the previous research and the conceptual framework regarding the relationship between corporate governance and tax aggressiveness, the following research hypothesis can be formulated:

H_a1: Institutional share ownership influences the determination of tax avoidance policies

H_a2: Institutional share ownership influences the determination of tax avoidance policies

H_a3: The Audit Committee's share ownership influences the determination of tax avoidance policies

2.2. Relationship between corporate social responsibility and tax avoidance

The relationship between environmental empowerment programs for companies or what is known as sustainability reporting based on the Global Repotting Initiative (GRI) Index, requires every company to implement a Corporate Social Responsibility program which is broadly classified into social environmental CSR; economic environment; and the surrounding environment which cares about overcoming environmental pollution, health and the natural environment, or what is known as a green economy. Law Number 40 of 2007 concerning Limited Liability Companies (UU PT) and Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Companies (PP 47/2012).

Reporting CSR costs in financial statements can be treated as a reduction in profit before tax. Thus, the implementation of the green economy concept is protected by law and can be used as legal tax planning. Based on the CSR policy framework and its relationship with company performance, which can substantially influence tax avoidance has been supported by several previous studies [10-13].

The influence of corporate social responsibility on tax avoidance is theoretically in accordance with regulations regarding company obligations in implementing CSR programs, according to Batubara et al. [14], the only thing that negatively influences tax avoidance is the ownership of an independent board of commissioners. Meanwhile, according to Nawangsari [15] globally, CSR programs negatively influence tax avoidance, consistent with research results [14]; different from research [16] shows that environmental and economic dimensions of corporate social responsibility positively influence tax avoidance. The results of research between previous studies require further testing regarding the relationship between CSR programs and tax avoidance. Referring to the inconsistency of previous research results, the following research hypothesis can be formulated:

H_a4: Corporate social responsibility program the economic dimension influences tax avoidance policy

H_a5: Corporate social responsibility program the social dimension influences tax avoidance policies

H_a6: The environmental dimension of the corporate social responsibility program influences tax avoidance policies

2.3. Corporate governance, CSR and firm value with tax avoidance as interveling variable

The implementation of Corporate Governance Values and CSR programs is conceptually responded to by investors decision, which is ultimately reflected in the form of share market prices on the capital market. Thus, corporate governance components including Institutional Ownership, Independent Board of commissioners, Audit Committee, and Managerial Ownership will influence company value. Likewise, Economic, Social and Environmental CSR programs can influence company value by measuring Tobin's Q [5,6]. On the other hand, tax avoidance can affect firm value. In this case, investors will observe the condition of net profit after deducting tax. When net profit tends to

increase, and tax avoidance actions are in accordance with legal tax, investors' behavior will respond positively, which will further increase the firm value [15,17-21].

Based on sequence of previous research, the concept is robust, namely that tax avoidance can influence the behavior of investors in determining investment decisions. Thus, this research model is developed by placing the role of tax avoidance in mediating the influence of corporate governance, corporate social responsibility on firm value [1,5,8-13,17-21]. Referring to previous research, the integrated research model and research hypotheses can be described as Figure 1 follows:
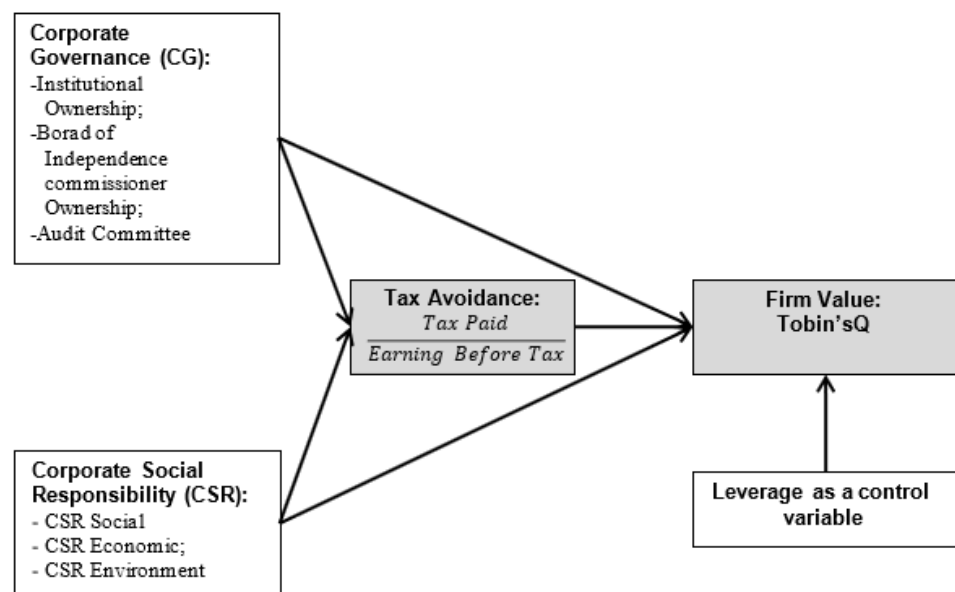

Figure 1: Model of tax avoidance role mediate on corporate governance, CSR with firm value.

H_a7: Institutional share ownership affects firm value through tax avoidance

H_a8: The share ownership of the independent board of commissioners influences firm value through tax avoidance

H_a9: Audit committee affects firm value through tax avoidance

H_a10: The social dimension of corporate social responsibility program influences firm value through tax avoidance

H_a11: The economic dimension of corporate social responsibility program influences firm value through tax avoidance

H_a12: Corporate social responsibility program, environmental dimensions influence firm value through tax avoidance.

3. Methodology

The research design is an explanatory research which explains the causality relationship between the dependent and independent variables with a deductive approach through the formulation of hypotheses to prove the effect of Institutional Ownership, Independent Commissioner Ownership, Audit Committee, Social CSR, Economic CSR, and Environmental CSR on Firm Value with Tax Avoidance role as a mediating variable. Unit analysis is 175 manufacturing industries observed during 2017-2021, with a sample size of 875. by using a panel regression to conduct models and robustness tests, and leverage as a control variable using SPSS Software. In detail, the analysis technique can be formulated as follows:

$Y1$ (TA) $= \alpha + \beta1$ (IO) $+ \beta2$ (AC) $+ \beta3$ (ICO) $+ \beta4$ (S-CSR) $+ \beta_5$ (Env-CSR) $+ \beta_6$ (Eco-CSR) $+ \sum i$ (equation 1)

$Y2$ (FV) $= \alpha + \beta1$ (IO) $+ \beta2$ (AC) $+ \beta3$ (ICO) $+ \beta4$ (S-CSR) $+ \beta_5$ (Env-CSR) $+ \beta_6$ (Eco-CSR) $+ \beta_7$ (TA) $+ \sum i$ (equation 2)

$Y1$ (TA) $= \alpha + \beta1$ (IO) $+ \beta2$ (AC) $+ \beta3$ (ICO) $+ \beta4$ (S-CSR) $+ \beta_5$ (Env-CSR) $+ \beta_6$ (Eco-CSR) $+ \beta_7$ (Lev) $+ \sum i$ (equation 3)

$Y2$ (FV) $= \alpha + \beta1$ (IO) $+ \beta2$ (AC) $+ \beta3$ (ICO) $+ \beta4$ (S-CSR) $+ \beta_5$ (Env-CSR) $+ \beta_6$ (Eco-CSR) $+ \beta_7$ (Lev) $+ \sum i$ (equation 4)

Notes:

Y_1 = Tax Avoidance (TA)

Y_2 = Firm value (Tobin's Q)

X_1 = Institutional Ownership (IO)

X_2 = Audit Committee (AC)

X_3 = Independent Commissioners Ownership (ICO)

X_4 = Social CSR (S-CSR)

X_5 = Economic CSR (Eco-CSR)

X_6 = Environmental CSR (Env-CSR)

X_7 = Leverage (Lev) as control variable

4. Results and Discussion

4.1. Descriptive statistics

Descriptive statistics show that the N valid sample is 870 from 175 manufacturing companies that are public on the Indonesian Capital Market with an observation period of 2017 - 2021. The minimum of firm value (Y_2) using the Tobin's Q measurement is 0.390 and the maximum is 0.910, with an average value is 0.680 and the standard deviation value is 0.083, indicating relatively low data variation compared to the dependent variable Tax Avoidance (Y_1) which has an average value of 0.268 with a standard deviation of 0.0786. In descriptive statistics, variations in the data of the firm value variables Tobins' Q and Tax Avoidance are in coherence with each other, they have relatively low data variations and have a significant positive relationship. Empirically it can be shown in Table 1.

The next description of the corporate governance variable includes institutional ownership (X_1) which has a minimum value of 0.310 and a maximum value of 0.720, with an average value of 0.510 and a standard deviation of 0.087, illustrating a relatively homogeneous distribution of data variations between companies. Next, the minimum Audit Committee (X_2) value is 0.223 and the maximum value is 0.753, with an average of 0.636 and a standard deviation of 0.220, illustrating the highest variation in data values compared to variations in Institutional Ownership and Independent Commissioner Ownership data values with an average value of 0.323 and a standard deviation. 0.107.

Correlationally, the relationship between the corporate governance variable components which have relatively stable linear variations in data values and the value of the Tobin's Q is institutional ownership. Meanwhile, the ownership of the Independent Board of Commissioners and Audit Committee which have varying data values is not linear with the company value. On the other hand, the Institutional Ownership variable (X_1) that has high data variation which has a linear relationship with the data variation of the dependent variable Tax Avoidance (Y_1) with a correlation coefficient of 0.099 (p=0.004)*** and Audit Committee (X_2) with a correlation coefficient of 0.074 (p=0.029)**, and the Independent Commissioner Ownership variable (X_3) has a negative correlation coefficient of -0.080 (p=0.019)**. In details can be seen in Tables 1 and 2.

The description of the Corporate Social Responsibility variable describes that the Economic CSR variable has the highest data variation with a minimum value of 0.001, a maximum value of 0.835, with an average value of 0.835 and a standard deviation of

0.259. The lower order is environmental CSR which has a minimum value of 0.175 and a maximum value of 0.825 with an average value of 0.698 and a standard deviation of 0.258. and the CG variable which has the lowest value is social CSR which has a minimum value of 0.470 and a maximum value of 0.890, with an average value of 0.646, and a standard deviation of 0.081. In terms of the description of the relationship between CSR component variables which have relatively high variations in data values compared to variations in data values of the Tabin'sQ (Y_2). Empirically the CSR components do not correlate with Company Value. On the other hand, in relation to the mediating variable Tax Avoidance (Y_1), only the economic CSR variable (X5) has a significantly negative relationship with Tax Avoidance (Y_1), in detail which can be shown in Tables 1 and 2.

TABLE 1: Descriptive statistic.

	N	Minimum	Maximum	Mean	Std. Deviation
Y_1: Tax Avoidance (Y1)	875	.100	.460	.268	.079
Y_2: Firm Value (Y2)	871	.390	.910	.680	.083
X_1: Institutional Ownership (X1)	875	.310	.720	.511	.087
X_2: Audit Committee (X2)	875	.223	.753	.636	.220
X_3: IndependentCommissioners Ownership (X3)	875	.250	.550	.323	.107
X_4: CSR_Social(X4)	875	.188	.835	.708	.257
X_5: CSR_Economic (X5)	875	.175	.825	.698	.258
X_6: CSR_Environmental(X6)	875	.217	.801	.680	.237
X_7: Debt to Equity Ratio as	875	.180	.910	.577	.130
Control Variable					
Valid N (listwise)	870				

4.2. Robustness test

Based on robustness test of the model by testing panel 1 data with Tobin's Q as dependent variable, panel 2 Tax Avoidance with Leverage as a Control Variable, which shows a stable and eligible model to be used as hypothesis testing is a model when the dependent variable using Tobin's Q and Tax Avoidance. The simulation results of panel 1, and panel 2, data were consistent with significance between the variables studied when before and after entering the Leverage control variable, which produced a consistent regression coefficient, and the calculated F value was significant, robustly

TABLE 2: Description of relationship patterns between research variables.

Pearson Correlation	Firm Value_(Y2)	Tax Avoidance_(Y1)	Institutional Ownership_(X1)	Audit Committee_(X2)	Independent commissioner ownership_(X3)	Social CSR_(X4)	Economic CSR_(X5)	Enviromental CSR_(X6)	Leverage_(X7)	Total CSR _(X8)
Firm Value_(Y2)	1 (0.000)***									
Tax Avoidance_(Y1)	.149 (0.000)*****	1 (0.000)***								
Institutional Ownership_(X1)	.094 (0.006)*****	.099 (0.004)*****	1 (0.000)***							
Audit Committee_(X2)	-.001 (0.973)	074 (0.029)***	.035 (0.301)	1 (0.000)***						
Independent commissioner ownership_(X3)	.018 (0.605)	-.080 (0.019)***	-.069 (0.042)***	-.514 (0.000)*****	1 (0.000)***					
Social CSR_(X4)	-.012 0.718)	.009 (0.785)	-.017 (0.612)	.022 (0.517)	-.027 (0.425)	1 (0.000)***				
Economic CSR_(X5)	.040 (0.235)	-.061 (0.071)*	.063 (0.064)*	.042 (0.215)	-.113 (0.001)*****	-.005 (0.879)	1 (0.000)***			
Enviromental CSR_(X6)	-.002 (0.947)	.032 (0.340)	.125 (0.000)*****	.008 (0.824)	-.057 (0.095)*	.047 (0.169)	.166 (0.000)*****	1 (0.000)***		
Leverage_(X7)	.047 (0.163)	.037 (0.277)	.105 (0.002)*****	.056 (0.102)	.009 (0.789)	.141 (0.000)*****	-.112 (0.001)*****	.061 (0.070)*	1 (0.000)***	
Total CSR (X8)	.041 (0.225)	.001 (0.970)	.163 (0.000)*****	.061 (0.070)*	-.091 (0.007)*****	.101 (0.003)*****	.602 (0.000)*****	.694 (0.000)*****	.497 (0.000)*****	1 (0.000)***

when both the dependent variable used Tobin's Q (Y_2) and Tax Avoindance (Y_1), in detail can be seen in Figure 2.

4.3. Discussion

After obtaining an eligible equation through the model sensitivity test, the next stage can be continued with the hypothesis. Based on the results of path analysis supported by multiple regression analysis, it can be interpreted through the path analysis stages as follows: Path analysis 1, namely testing the influence of Corporate Governance and CSR on Tax Avoidance (Y_1), obtained the equation formed in Model 1, namely:

Y_2 (Tobin's Q) = 0.597*** + 0.084**(Institutional Ownership) + 0.148***(Tax Avoidance) + $\sum$i Based on the equation, the Corporate Governance variable which has a significant positive direct influence on firm value (Tobin's Q) is the Institutional Ownership variable (X_1) with a regression coefficient of 0.084 (p=0.014) and the intervening variable Tax Avoidance (Y_1) of 0.084 (p =0.014). The results of this equation illustrate that the condition of corporate governance values in the management of the company is controlled by institutional ownership. Empirically, this phenomenon can describe the condition of ownership of manufacturing companies in Indonesia, the majority of which are controlled by institutional ownership. Apart from that, on the other route, the Tax Avoidance variable (Y_1) directly influences the Tobin's Q variable in a significantly positive way at 0.148 (p=0.000). This phenomenon can explain the role of the Tax Avoidance variable in mediating the relationship between the Institutional Ownership variable and firm value.

Path Analysis 2, through Model 2 forms a regression equation:

Y_1 (Tax Avoidance) = 0.249***+0.094***(Institutional Ownership) + 0.148***(Economy CSR) + $\sum$i. In this case, the Corporate Governance variable that is able to influence managerial decisions to take Tax Avoidance action is Institutional Ownership with a regression coefficient of 0.094 (p=0.000), while the Corporate Social Responsibility variable that is often carried out by companies is issuing CSR in the form of Economic CSR, including distribution of working capital credit to Micro Small Medium Enterprise (MSMEs) through disbursement of credit distributed by banks, providing cash assistance to MSMEs. Empirically, Economic CSR directly influences Tax Avoidance significantly negatively with a regression coefficient of -0.081 (p=0.018). This means that the company's economic CSR spending can reduce the taxes paid, which is legally justified.

Path Analysis 3, tests the indirect influence of Corporate Governance and Corporate Social Responsibility variables through Tax Avoidance shown by Model 3, by interpreting the results of the equations of Model 1 and Model 2, namely: The role of the mediating variable Tax Avoidance (Y_1) in mediating the influence between Corporate Governance and Corporate Social Responsibility on Tobin's Q (Y_2) can explain, namely: The Tax Avoidance variable is able to partially mediate the influence of Corporate Governance which is represented by Institutional Ownership (X_1) on Tobin'sQ (Y_2). This means that some investors respond positively directly to the contribution value of Institutional Ownership (X_1) in upholding corporate governance values in a transparent and accountable manner, and some other investors respond positively to the contribution value of Institutional Ownership (X_1) in upholding governance values. company through the decision variable to carry out Tax Avoidance (Y_1).

The next analysis, testing the indirect influence of the Corporate Social Responsibility variable on Tobin'sQ (Y2) Company Value through Tax Avoidance (Y1), shows that the role of the mediating variable Tax Avoidance (Y1) is able to fully mediate the influence of Economic CSR on Tobin'sQ (Y2). While Social CSR and Environmental CSR were not responded to by investors. In detail the results of the research analysis can be seen in Figure 2.

5. Conclusion

Based on the analysis and discussion of research results that examine the influence of corporate governance and Corporate Social Responsibility components on Firm Value through the role of the mediating variable Tax Avoidance, it produces the following conclusions: First, Institutional Ownership has an important contribution in upholding the values of Good Corporate Governance to direct the determination of company managerial policy in carrying out Tax Avoidance decisions.

Second, the implementation of Corporate Social Responsibility in the form of spending on developing the economic environment, including providing soft credit assistance for MSMEs, direct cash assistance for the poor, and providing workforce training for MSMEs can significantly negatively influence management actions in determining Tax Avoidance which is legally permissible.

Third. The decision of Tax Avoidance actions can significantly positively affect firm value. This means that investors directly respond positively to companies that uphold

Variables	Description	Model 1 Y₂: Firm Value (Tobin'sQ)	Model 2 (Y₁:Taxe Avoidance)	Model 3 Indirect Effect X=>Y₁=>Y₂	Conclusion
First Stage Direct Effect					
X₁: Institutional Ownership (IO)	*Amount of Institutional Ownership* / *total of capital stock*	0.084 (0.014)**	0.094 (0.006)***		H₁: accepted
X₂: Audit Committee (AC)	number of audit committees	0.009 (0.808)	0.043 (0.278)		H₂: Rejected
X₃: Independent Commissioner Ownership(ICO)	*number of independent commissioners* / *number of commissioners*	0.042 (0.287)	-0.054 (0.170)		H₃: Rejected
X₄: Social CSR	*amount of social Item disclosure* / *Total of CSR Disclosures Index*	-0.014 (0.687)	0.003 (0.927)		H₄: Rejected
X₅: Economic CSR	*amount of Economic Item disclosure* / *Total of CSR Disclosures Index*	0.046 (0.181)	-0.081 (0.018)**		H₅: accepted
X₆: Environmental CSR	*amount of Environmental Item disclos* / *Total of CSR Disclosures Index*	-0.030 (0.387)	0.030 (0.955)		H₆: Rejected
X₇: Leverage	*Total Debt* / *Total Assets*		.		H₇: Rejected
Y₁: Tax Avoidance as Intervening Variable	*Cash Tax Paid* / *Pre tax Income*	0.148 (0.000)***	.		H₈: accepted
Constant		0.597 (0.000)***	0.249 (0.000)***		
Adj. R² Square (F-Test)		0.025 (0.000)***	0.016 (0.003)***		Fit Model
Second Stage After Entering Leverage as Control Variable					
X₁: Institutional Ownership (IO)	*Amount of Institutional Ownership* / *total of capital stock*	0.082 (0.017)**	0.095 (0.006)***		H₁: accepted
X₂: Audit Committee (AC)	number of audit committees	0.009 (0.812)	0.041 (0.298)		H₂: Rejected
X₃: Independent Commissioner Ownership(ICO)	*number of independent commissioners* / *number of commissioners*	0.045 (0.267)	-0.052 (0.191)		H₃: Rejected
X₄: Social CSR	*amount of social Item disclosure* / *Total of CSR Disclosures Index*	-0.015 (0.651)	0.003 (926)		H₄: Rejected
X₅: Economic CSR	*amount of Economic Item disclosure* / *Total of CSR Disclosures Index*	0.012 (0.132)	-0.077 (0.027)**		H₅: accepted
X₆: Environmental CSR	*amount of Environmental Item disclos* / *Total of CSR Disclosures Index*	-0.027 (0.431)	0.032 (0.352)		H₆: Rejected
X₇: Leverage	*Total Debt* / *Total Assets*	0.040 (0.242)	0.011 (0.754)		H₇: Rejected
Y₁: Tax Avoidance (TA) as Intervening Variable	*Cash Tax Paid* / *Pre tax Income*	0.145 (0.000)***	.		H₈: accepted
Constant		0.587 (0.000)***	0.242 (0.000)***		
Adj. R² Square (F-Test)		0.025 (0.000)***	0.014 (0.007)***		Fit Model
Third Stage, Path Analysis					
IO=>TA=>FV	Institutional Ownership (IO) => Tax Avoidance (TA) => Firm Value (FV)			0.094*** X 0.148*** = 0.0139*** < 0.084***	Tax Avoidance as a partial mediating variable
AC=>TA=>FV	Committee Audit (CA) => Tax Avoidance (TA) => Firm Value (FV)			0.043 X 0.148*** = 0.0063 < 0.009	Tax Avoidance does not act as a mediating variable
ICO=>TA=>FV	Institutional Commissioner Ownership (ICO) => Tax Avoidance (TA) => Firm Value (FV)			-0.054 X 0.148*** = 0.00799 < 0.042	Tax Avoidance does not act as a mediating variable
S-CSR=> TA=>FV	Social CSR (S-CSR) => Tax Avoidance (TA) => Firm Value (FV)			0.003 =>0.148*** = 0.000444 < -0.015	Tax Avoidance does not act as a mediating variable
Eco-CSR=> TA => FV	Economic CSR (Eco-CSR) => Tax Avoidance (TA) => Firm Value (FV)			-0.081* X 0.148*** = -0.0119 < 0.046	Tax Avoidance as a pure mediating variable
En-CSR=> TA=>FV	Environmental CSR (En-CSR) => Tax Avoidance (TA) => Firm Value (FV)			0.030 X 0.148*** = 0.00444 < -0.030	Tax Avoidance does not act as a mediating variable

Figure 2: Sensitivity analysis.

governance values and care about company sustainability programs in the form of Economic CSR, Social CSR and Environmental CSR programs. Fourth. The interaction of the relationship between research variables regarding the influence of Corporate Governance components, Corporate Social Responsibility components and Company Value through the mediating variable Tax Avoidance can be explained, namely; a) The role of the mediating variable Tax Avoidance on the influence of Corporate Governance which is represented by Institutional Ownership on firm value is partial mediating. This means that some investors respond positively directly to the contribution of Institutional Ownership in upholding Corporate Governance values, and some investors respond positively to Institutional Ownership indirectly through Tax Avoidance; b) Lastly, investors

respond to companies that implement a Corporate Social Responsibility program which is represented by a full Economic CSR program through the mediating variable Tax Avoidance. This means that the role of the mediating variable Tax Avoidance is purely able to show its role in mediating the relationship between economic CSR programs and company value, which is one of the unique or novelties of the research results.

5.1. Implications and limitations

The implications of the research results for practitioners and policy makers, the findings of this research can support regulators, that regulations regarding upholding corporate governance and green economy values through the obligation to carry out CSR programs need to be strengthened. For future researchers, looking at the results of the research model that has been formed, it shows a significant alpha level, so it needs to be developed by exploring other variables that are not yet in the model. It is recommended that it be developed by adding intellectual capital variables, and business strategy, as well as gender behavior.

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