

CORPORATE SOCIAL PERFORMANCE ON COST OF EQUITY, COST OF DEBT WITH INSTITUTIONAL OWNERSHIP, AND BANK DEPENDENCY AS MODERATING VARIABLES

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Abstract

This research aims to analyze corporate social performance on the cost of equity, cost of debt with institutional ownership, and bank dependency as moderating variables. The population of this research is non-financial companies listed on the Indonesian Stock Exchange (IDX), Bombay Stock Exchange (BSE), Malaysia stock exchange (MYX) and the Stock Exchange of Thailand (SET) from 2016-2020. The sample was selected using purposive sampling and 95 companies were obtained as research samples. The type of data used is secondary data. The data used was obtained from the company's annual report. The analysis techniques used in this research are moderating regression analysis and multiple regression analysis. The results of this study indicate that disclosure of corporate social performance does not have a significant effect on the cost of equity. Institutional Ownership moderates the positive and significant relationship between corporate social performance and the cost of equity. Bank dependency does not moderate the effect of corporate social performance on the cost of equity. Corporate social performance has a negative and significant effect on the cost of debt. Institutional ownership moderates the negative and significant relationship between corporate social performance and the cost of debt. Bank dependency moderates the positive and significant relationship between corporate social performance and the cost of debt.

Keywords: Corporate Social Performance, Cost, Institutional Ownership, Bank Dependency

INTRODUCTION

The capital market in Indonesia is experiencing rapid progress, indicating an increased need for information by listed companies (Heriyanthi, 2013). Investors require comprehensive information about a company's prospects to evaluate and make informed investment decisions. The primary goal of shareholders or investors is to achieve high returns from purchased shares (Perwira & Darsono, 2015). Investors are attracted to companies that disclose detailed information, as it aids in investment decisions (Kartika et al., 2020). Complete information makes investors aware of the company's situation and associated risks. If the perceived risk is low, the required rate of return will also be low, consequently lowering the company's capital costs (Heriyanthi, 2013; Rozak et al., 2021).

To ensure sustainability, companies must conduct activities that have a positive impact, even though negative operational impacts are often unavoidable. For example, the cases of PT Lapindo Brantas and PT Freeport in Indonesia highlight the need for companies to take responsibility for the impacts of their business by considering factors beyond economic factors (Rahmasari, 2013). Financial firms in India suggest that CSR can consume corporate resources without generating significant returns, potentially suppressing corporate profitability (Maqbool & Zameer, 2018; Sekhon & Kathuria, 2019). CSR programs have a negative relationship with the cost of equity in Malaysian firms. The higher the CSR disclosure, the lower the cost of equity indicating that transparency of CSR activities reduces information asymmetry and increases positive investor perceptions (Rahmadhani, 2023; Razali et al., 2023). As for Thailand, CSR reporting by companies is a guide for investors as key information for investment decisions (Neungvanna et al., 2019).

The cost of equity capital is widely interpreted as shareholders' expectations of returns from the invested capital. It represents the cost incurred by a company for the capital provided by investors (Rahmadhani et al., 2024). Investors require a desired rate of return, which is essentially the opportunity cost of their investment (Kartika et al., 2020; Rianingtyas & Trisnawati, 2017). A company's debt cost is the required rate of return demanded by creditors. This rate is equivalent to the interest rate that aligns the present value of future receipts, including interest and loan principal payments, with the current funds provided (Sartono, 2008).

CSR activities are evaluated by creditors based on the company's CSR disclosure in annual reports. If CSR investments reduce risks and improve financial performance, creditors offer more attractive loan terms (Rahmasari, 2013). Thus, CSR activities encourage companies to operate fairly and align with stakeholder interests, enhancing company performance and value while reducing risk. Lower company risk translates to reduced debt costs. Since the 1970s, numerous studies have examined the relationship between CSR and financial performance. CSR strategies are recognized as long-term determinants of success in terms of competitive advantage, risk management, and sustainability. Financial liberalization and globalization have heightened the importance of understanding how financial market perceptions of CSR influence corporate financing decisions (Sugiharti et al., 2023; Suto & Takehara, 2017).

The extent to which CSR influences the cost of capital has been a dominant research theme over the past decade. Theoretically, corporate strategies that consider non-financial aspects and stakeholder conflicts reduce business risks and information asymmetries faced by lenders and investors (Suto & Takehara, 2017). High Corporate Social Performance (CSP) can lower agency costs for companies seeking external financing. Practically, market perception of CSP incentivizes companies to initiate effective CSR practices and enhance non-financial disclosure (Carroll & Shabana, 2010; Kartika et al., 2023). From an information asymmetry perspective, institutional investors might prefer companies with high CSP to reduce information costs, while banks gather company-specific information through lending relationships rather than selecting borrowers based on CSP. Ownership structure and banking relationships influence the CSP-cost of capital relationship (Goss & Roberts, 2011).

Institutional ownership, the percentage of shares held by entities like the government, investment firms, banks, insurance companies, or other institutions, reflects good corporate governance practices, providing investor security and reducing risk (Kartika et al., 2022; Rahmasari, 2013). Institutional ownership enhances management transparency, reducing governance risk and ultimately lowering the company's cost of capital. It affects the cost of debt, showing a tendency for debt costs to rise due to agency costs, although institutional ownership negatively correlates with debt costs in companies with information asymmetry (Ashbaugh et al., 2004; Ristianawati et al., 2021).

Banks with strong borrower relationships understand CSR-related costs and expenses, focusing less on shareholder risk management. Bank dependence helps companies overcome cost and capital issues by leveraging bank resources. Companies rely on external funding sources like banks for performance benefits (Gilley, 2000; Rozak et al., 2023). This research explores how CSP, in terms of CSR-related non-financial information, influences the cost of capital, considering the impact of bank dependence and ownership structure in a bank-centric financial market transitioning to a more market-oriented system. Specifically, it examines the relationship between CSP and the cost of debt and equity capital (Suto & Takehara, 2017).

This study contributes to the literature in three ways. First, it explores the influence of institutional ownership and bank dependence on the CSP-cost of capital relationship, addressing shareholder-debtor conflicts amid non-financial information asymmetry. Second, it provides evidence that institutional investors enhance CSP and reduce information asymmetry in Indonesia's capital market. Third, it creates an original CSP index for Indonesian companies based on stakeholder relationships, as no public data using the stakeholder approach exists (Suto & Takehara, 2017). The research aims to provide empirical evidence on CSP's influence on the cost of equity and debt, with institutional ownership and bank dependency as moderating variables in non-financial companies listed on the Indonesian Stock Exchange (IDX), Bombay Stock Exchange (BSE), Malaysia stock exchange (MYX) and e Stock Exchange of Thailand (SET) from 2016-2020. Previous studies on the cost of equity and debt, such as those by Suto and Takehara (2017), Rianingtyas and Trisnawati (2017), and Sharfman and Fernando (2008), have been inconsistent, prompting further investigation for more consistent results.

Suto and Takehara (2017) found that CSP negatively affects the cost of equity in Japan, contrasting with Rianingtyas and Trisnawati (2017) who found a positive effect in Indonesia. Similarly, Suto and Takehara (2017) found CSP positively affects debt costs, differing from Sharfman and Fernando (2008), who found a negative effect. This study revisits Suto and Takehara's (2017) research on CSP and the cost of capital, focusing on non-financial companies listed on the IDX from 2016-2020, to examine CSP's impact on equity and debt costs.

REVIEW OF LITERATURE

The Influence of Corporate Social Performance (CSP) on Cost of Equity

Corporate social performance is the company's performance and achievements in taking social responsibility in carrying it out, thus high corporate social performance and corporate Social Performance can reduce agency costs faced by companies pursuing external financing. From the information asymmetry point of view, investors prefer high Corporate Social Performance companies to reduce information costs. This means the wider disclosure of Corporate Social Responsibility the Cost of Equity will decrease further, the wider the CSR disclosure, the more it will help investors to understand investment risks and low expected returns, so that it will directly reduce the Cost of Equity (Rahmasari, 2013).

This opinion is supported by research conducted by Rahmasari (2013) that disclosure of Corporate Social Responsibility harms the cost of equity capital. Wider disclosure will reduce information asymmetry between investors and managers. A low level of information asymmetry indicates that the company is hiding less information so that the financial reports presented by the company become more transparent. Transparent financial reports cause investors' estimates of the risks involved in the company to be low, resulting in the expected level of return becoming low, which will ultimately reduce the Cost of Equity.

Influence of Institutional Ownership as A Moderating Variable in The Relationship Between Corporate Social Performance and Cost of Equity

Institutional investors can encourage company managers to increase their company's CSP, by carrying out supervisory actions carried out by institutional investors, they can limit management behavior to focus their attention on company performance (Rahmasari, 2013). High institutional ownership will give rise to monitoring efforts by institutional investors so that they can hinder managers' opportunistic behavior.

Investors contribute to improving non-financial disclosure. Complex disclosures can increase investor confidence and can provide benefits for the company, namely the ease of obtaining additional capital so that capital costs can be minimized. Higher institutional ownership can reduce the cost of equity (Suto & Takehara, 2017).

Effect of Bank Dependency as A Moderating Variable in the Relationship Between Corporate Social Performance and Cost of Equity

Corporate Social Performance breadth within a firm can reduce the agency costs faced by firms pursuing external financing. From the information asymmetry point of view, investors prefer high Corporate Social Performance companies to reduce information costs. Bank dependency behaves as a delegated monitor of the company. As an emphasis, bank dependency is considered a sign of a company performing superiorly in the equity market.

Thus, high bank dependence can harm the cost of equity. On the other hand, bank relationships reduce the efficient management of loan companies by reducing monitoring and strengthening collusion with each other. Bank dependency can be considered a sign that company management is poor and can increase agency costs (Goss & Roberts, 2011).

The Influence of Corporate Social Performance (CSP) on the Cost of Debt

The company's motivation to carry out social disclosure is more influenced by efforts to communicate to stakeholders regarding management performance in achieving benefits for the company in the long term. Companies that carry out CSR activities are activities related to the needs of the company's stakeholders (Suto & Takehara, 2017). Because the company pays attention to the needs of all stakeholders, stakeholders will loyally support the company so that it can increase the company's reputation and company value. If the company's value increases, it will reduce the company's risk (Sugiharti, 2023). If these CSR activities provide benefits such as: reducing the company's risk, the creditor will provide lower debt costs with a longer term (Ilmi, 2023).

Corporate Social Responsibility (CSR) activities provide benefits such as reducing company risk, so creditors provide lower debt costs over a longer period. The better the implementation of Corporate Social Responsibility (CSR) carried out by the company, the bank will provide lower debt costs (Ilmi, 2023).

The Influence of Institutional Ownership as A Moderating Variable in the Relationship Between Corporate Social Performance and the Cost of Debt

Companies that carry out CSR activities are activities related to the needs of the company's stakeholders (Suto & Takehara, 2017). Because the company pays attention to the needs of all stakeholders, stakeholders will loyally support the company so that it can increase the company's reputation and company value.

Institutional ownership is expected to increase the openness and transparency of corporate associations. If disclosure and transparency increase, it can reduce debt costs.

However, debtors as users of company information must have complete access to all information within the company to face conflicts of interest with management (Abdullah et al., 2015).

The Influence of Institutional Ownership as A Moderating Variable in the Relationship Between Corporate Social Performance and the Cost of Debt

Corporate Social Performance is the same as Corporate Social Responsibility which is a voluntary act of integrating environmental and social concerns into the company's subsequent operations interactions with stakeholders that can measure the extent to which these companies are handling corporate responsibilities to stakeholders (Naufal & Hersugondo, 2023). The Corporate Social Responsibility (CSR) program cannot be seen in the short term, but its impact will provide benefits for the company's finances in the future because Corporate Social Responsibility is part of the company's business strategy and is classified as a long-term investment (Trisnawati et al., 2016).

Banks that have strong relationships with borrowers will be more aware of the costs of CSR expenditures and less concerned with the risk management aspects of shareholders (Limbong et al., 2021). The bank's behavior as a delegated monitor can provide information that reduces risk (Taswan et al., 2023). So it can test the influence of ownership structure and bank dependence on the relationship between CSP and the cost of debt (Aprillia et al., 2021).

Hypothesis

Based on the description above, the following hypothesis can be formulated:

H1 = There is a negative influence of Corporate Social Performance (CSP) on the cost of equity

H1a: Institutional Ownership strengthens corporate social performance on the cost of equity

H1b: Bank Dependency strengthens corporate social performance on cost of equity

H2 = There is a negative influence of Corporate Social Performance (CSP) on the Cost of Debt

H2a: Institutional ownership strengthens corporate social performance on the cost of debt

H2b: Bank Dependency strengthens corporate social performance on the cost of debt

RESEARCH METHOD

This research was conducted to analyze the influence of Corporate Social Performance (CSP) on the Cost of Equity, Cost of debt with Institutional Ownership, and Bank Dependency as moderating variables. A variable is anything that can differentiate

anything that can differentiate and has certain variations that are determined by the researcher to be studied and drawn conclusions.

The data used in this research is secondary data, namely quantitative data obtained from the Indonesian Stock Exchange (IDX), Bombay Stock Exchange (BSE), Malaysia Stock Exchange (MYX), and the Stock Exchange of Thailand (SET) from 2016-2020. The data is in the form of annual reports issued by non-financial companies in Indonesia, India, Malaysia, and Thailand which are listed on the Indonesia Stock Exchange for the period 2016-2020 and are contained in the Indonesia Capital Market Directory (ICMD).

The variables used in this research are dependent, independent variables, and moderating variables. The dependent variables in the research are the Cost of Equity and Cost of Debt, the independent variable is Corporate Social Performance (CSP), and the moderating variables in this research are Institutional Ownership and Bank Dependency.

RESULTS AND DISCUSSION

Descriptive Statistic

Descriptive statistics provide an overview or description of data seen from the mean value and standard deviation. The results of descriptive statistical calculations are as follows.

Table 1
Descriptive Statistics

	N	Min	Maxi	Mean	Std. Deviation
COE	424	-.98	1.35	,0345	,36699
CSR	424	.09	.84	,3931	,15175
COD	424	.00	.27	,0695	,05815

Source: SPSS Output Data, 2022

Based on Table 1 above, it can be described that the number of samples used in this research was 424 company data. The average value for the dependent variable cost of equity is 0.0345. This value indicates that the company's average cost of equity and cost of debt are relatively high. The average value of the disclosure variable Corporate Social Responsibility is 0.3931. This value shows that the level of CSR disclosure carried out by non-financial companies in Indonesia is still relatively low. The average value for the dependent variable

cost of debt is 0.0695 This value indicates that the company's average cost of equity and cost of debt are relatively high.

Multiple Regression Analysis

Multiple linear regression analysis was carried out to determine the function of the dependent variable cost of equity and cost of debt are explained or influenced by independent variables (CSR disclosure). Based on the SPSS 21 calculation results, the following results were obtained:

Table 2
Multiple Regression Analysis

Model 1					
$Y = \alpha - \text{CSDI} + e$					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.208	0.1174		-6.729	,010
CSR -> COE in Indonesian	.198	0,0186	.266	2.049	,027
CSR -> COE in India	.112	0.0364	.736	3.084	,003
CSR -> COE in Malaysia	.103	0.0223	.307	2.548	,014
CSR -> COE in Thailand	.241	0.0362	.524	2.993	,005

a. Dependent Variable: COE=Cost of Equity

Model 2					
$Y = \alpha - \text{CSDI} + e$					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.085	.008		-8.873	.000
CSR -> COD in Indonesian	.040	.019	.103	2.130	.034
CSR -> COD in India	.139	.183	,254	3.864	.005
CSR -> COD in Malaysia	.150	.146	.196	2.029	.021
CSR -> COD in Thailand	.597	.169	.338	2.544	.047

a. Dependent Variable: COD = Cost of Debt

Source: SPSS Output Data, 2022

Based on the calculation results in the Unstandardized Coefficient column part B Model 1, the multiple linear regression equation is obtained as follows:

$$Y = 0.208 - 6.729 \text{ CSDI} + e$$

For CSR disclosure is -6.729, indicating that there is a negative influence and significance between CSR disclosure variables to the cost of equity. So, it can be concluded that if the CSR disclosure variable increases by one unit with the assumption that the other independent variables are zero or constant, then the cost of equity variable will decrease.

Based on the calculation results in the Unstandardized Coefficient column part B Model 2, the multiple linear regression equation is obtained as follows:

$$Y = 0.085 - 8.873 \text{ CSDI} + e$$

For CSR disclosure is -8.873, indicating that there is a negative influence and significance between CSR disclosure variables to the cost of debt. So, it can be concluded that if the CSR disclosure variable increases by one unit with the assumption that the other independent variables are zero or constant, then the cost of the debt variable will decrease.

Moderated Regression Analysis

The moderated regression analysis technique is an independent variable that will strengthen or weaken the relationship between other independent variables and the dependent variable, namely Corporate Social Performance (CSP) with Institutional Ownership and Bank Dependency as moderating variables. The moderated regression analysis equation, which is read is the value in column B, the first row shows the constant (α) and the next row shows the coefficient of the independent variable.

Table 3
Moderated Regression Analysis Model 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-,012	,031		-,389	,697
Zscore: CSR	-,028	,018	-,077	-1,537	,125
1 Zscore: Institutional Ownership	,019	,020	,052	,980	,327
Zscore: Bank Dependency	-,031	,032	-,083	-,959	,338
abs_mtlk_1	,039	,021	,097	1,817	,070

a. Dependent Variable: Cost of Equity

Source: SPSS output data, 2022

1. A constant of -0.012 indicates that the independent variable (Corporate Social Responsibility, Institutional Ownership) is zero, so the Cost of Equity will be 0.012%.

2. The coefficient of the corporate social responsibility variable is -0.028, meaning that for every extent of corporate social responsibility, the cost of equity decreases by -0.025%.
3. The institutional ownership variable is 0.019, meaning that for every increase in institutional ownership, the cost of equity will increase by 0.019%.
4. The bank dependency variable coefficient is -0.031, meaning that for every increase in bank dependency, the cost of equity will decrease by -0.031%.
5. The coefficient for the Corporate Social Responsibility and Institutional Ownership variables as the moderating variable is 0.039, so the cost of equity will increase by 0.039%.

Table 4
Moderated Regression Analysis Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,052	,005		10,709	,000
Zscore: Corporate Social Responsibility	-,004	,003	-,070	-1,429	,154
1 Zscore: Institutional Ownership	,002	,003	,026	,499	,618
Zscore: Bank Dependency	-,008	,005	-,135	-1,548	,122
abs_mtlk_1	,015	,003	,231	4,440	,000

a. Dependent Variable: Cost of Debt

Source: SPSS output data, 2022

1. A constant of 0.052 indicates that the independent variable (Corporate Social Responsibility, Institutional Ownership) is zero, so the Cost of Equity will be 0.052%
2. The coefficient of the corporate social responsibility variable is -0.004, meaning that for every extent of corporate social responsibility, the cost of equity decreases by -0.004%
3. The Institutional Ownership variable is 0.002, meaning that for every increase in institutional ownership, the cost of equity will increase by 0.002%
4. The bank dependency variable coefficient is -0.008, meaning that for every increase in bank dependency, the cost of equity will decrease by -0.008%
5. The Corporate Social Responsibility variable and Institutional Ownership moderating variable is 0.015, so the cost of equity will increase by 0.015%.

Corporate Social Performance (CSP) Disclosure on Cost of Equity

The definition of corporate social responsibility according to Suto and Takehara (2017) is a mechanism for an organization to voluntarily integrate environmental and social concerns into its operations and interactions with stakeholders, which exceeds the organization's legal responsibilities. Corporate Social Responsibility is a company's effort to balance its commitments to groups and individuals within the company environment, including customers, other companies, employees, and investors. CSR brings environmental and social attention to its operations and interactions with stakeholders that exceed legal responsibilities (Prahara & A'yuni, 2021).

The results of testing hypothesis 1 prove that corporate social performance harms the cost of equity (H1). These results are in line with research conducted by Suto and Takehara (2017) and Rahmasari (2013) which states that there is a negative and significant effect between corporate social performance and cost of equity. Wider disclosure will reduce information asymmetry between investors and managers. A low level of information asymmetry indicates that the company is hiding less information so that the financial reports presented by the company become more transparent. Transparent financial reports cause investors' estimates of the risks involved in the company to be low, resulting in the expected level of return becoming low, which will ultimately reduce the Cost of Equity.

Corporate Social Performance (CSP) Disclosure on the Cost of Equity with Institutional Ownership as a Moderating Variable

Institutional ownership plays an important role in making strategic decisions, such as decisions to carry out responsibilities that can increase company value in the long term. The greater the level of share ownership by institutional investors, the more effective the control mechanism is on management performance to achieve company goals to increase company value (Giovani & Mulyana, 2017).

The moderation results of H1a can prove that institutional ownership can moderate the relationship between corporate social performance and the cost of equity. This result is in line with research conducted by Suto and Takehara (2017). High institutional ownership will give rise to monitoring efforts by institutional investors so that they can hinder managers' opportunistic behavior. Institutional investors contribute to improving non-financial disclosures. Complex disclosures can increase investor confidence and can provide benefits

for the company, namely the ease of obtaining additional capital so that capital costs can be minimized. Higher institutional ownership can reduce the cost of equity (Suto & Takehara, 2017).

Corporate Social Performance (CSP) Disclosure on the Cost of Equity with Bank Dependency as a Moderating Variable

Bank Dependency is a term used to indicate a company's dependence on the functions of a bank or external party. Bank dependency can help companies overcome cost and capital problems within the company because it can cover these deficiencies with the results of the company's dependence on banks. The funding function of a company cannot be helped by the company itself, but the company will seek funding from outside the company. The institution that is the source of external funds for the company is the bank. The company depends on external institutions because the company believes that these institutions can provide benefits to the company's performance. Companies that outsource some of their functions to outside parties receive profit costs compared to if these functions were carried out by the company themselves (Gilley, 2000).

The moderation results of H1 b can prove that bank dependency can moderate the relationship between corporate social performance and the cost of equity. This result is in line with research conducted by Suto and Takehara (2017). This is due to the contrary, if bank relationships increase the efficient management of loan companies by reducing monitoring and strengthening collusion with each other (Goss & Roberts, 2011).

Corporate Social Performance (CSP) Disclosure on the Cost of Debt

Corporate Social Performance (CSP) is a company's efforts and achievements towards taking social responsibility in carrying it out, thus high corporate social performance can reduce agency costs faced by companies pursuing external financing (Carroll & Shabana, 2010). From an information asymmetry perspective, institutional investors may prefer high Corporate Social Performance firms to reduce information costs, while banks may collect firm-specific information based on lending relationships rather than selecting high Corporate Social Performance borrowers (Agustina, 2020).

The results of testing hypothesis 2 prove that corporate social performance has a negative and significant effect on the cost of debt (H2). These results are in line with research conducted by Suto and Takehara (2017) which states that there is a negative influence on

corporate social performance and the cost of debt received. This shows that it can be said that the higher a company's CSR disclosure affects the cost of debt. Corporate Social Responsibility (CSR) activities provide benefits such as reducing company risk, so creditors provide lower debt costs over a longer period (Septiani et al., 2023). The better the company's implementation of Corporate Social Responsibility (CSR), the lower the bank's debt costs will be (Ilmi, 2023).

Corporate Social Performance (CSP) Disclosure on the Cost of Debt with Institutional Ownership as a Moderating Variable

Institutional ownership is ownership of company shares which are majority owned by institutions or institutions (insurance companies, banks, investment companies, and other institutional ownership). Institutional ownership is the largest shareholder, so it is a means of monitoring management (Rahmasari, 2013).

The moderation results of H 2a can prove that Institutional ownership can moderate the relationship between corporate social performance and the cost of debt received, this result This is in line with research conducted by Suto and Takehara (2017) which states that the influence of institutional ownership can moderate corporate social performance on the cost of debt. If disclosure and transparency increase, it can reduce debt costs (Kartika et al., 2020). However, debtors as users of company information must have complete access to all information within the company to face conflicts of interest with management.

Corporate Social Performance (CSP) Disclosure on the Cost of Debt with Bank Dependency as a Moderating Variable

Bank Dependency is a term used to show a company's dependence on the functions of a bank or external party. Bank dependency begins when the company cannot carry out a function in its business activities, so the company hands over that particular function to a division outside the company. Reducing costs within the company means more dependence on banking institutions will lead to better company performance. Dependence on banking institutions is analogous to the institution's supporting capacity for company assets.

The moderation results of H 2b can prove that bank dependency is not able to moderate the relationship between corporate social performance and the cost of debt. This result is not in line with research conducted by Suto and Takehara (2017). Bank dependency does not influence the cost of debt, because bank dependency can be considered to provide

information about the quality of the company for investors in the equity market (Suto & Takehara, 2017).

CONCLUSION

Based on the results of data analysis and discussion from this research, conclusions can be drawn as answers to questions and problems which are also goals that have been successfully achieved, namely as follows: 1) Disclosure of Corporate Social Responsibility has a negative and significant effect on the Cost of equity in non-financial companies listed for the 2016-2020 period. This means that the higher the level of CSR disclosure reported by a company, the more it will affect the cost of equity; 2) Institutional Ownership capable moderates the relationship between corporate social performance and cost of equity in non-financial companies listed for the 2016-2020 period; 3) Bank Dependency can moderate the relationship between corporate social performance and the cost of equity in non-financial companies for the 2016-2020 period; 4) Corporate social performance has an influence negative and significant to the cost of debt in non-financial companies listed for the 2016-2020 period. This means that the wider the CSR disclosure carried out by the company, the lower the cost of debt will be; 5) Institutional Ownership can moderate Corporate Social Performance on the cost of debt in non-financial companies listed for the 2016-2020 period; 6) Bank dependency is not capable moderates the relationship between corporate social performance and the cost of debt in non-financial companies listed for the 2012-2016 period.

The suggestions in this research are: 1) Companies are expected to implement disclosures in annual reports well every year by increasing broader disclosures, especially regarding Corporate Social Responsibility (CSR) or Corporate Social Performance (CSP) because based on research results it was found that these disclosures have proven to be a positive signal for investors who can increase company costs; 2) For investors who want to invest in the long term in companies listed on the Indonesian Stock Exchange (IDX), Bombay Stock Exchange (BSE), Malaysia Stock Exchange (MYX), and the Stock Exchange of Thailand (SET), it is best to look at broader Corporate Social Responsibility (CSR) or Corporate Social Performance (CSP) disclosures showing that the company has been managed in an integrated manner for the company's prospects.

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