CORPORATE SOCIAL RESPONSIBILITY, CORPORATE REPUTATION, AND SHARE PRICE: A STUDY OF CONSUMER GOODS INDUSTRIES USING SUSTAINABLE ACCOUNTING STANDARD BOARD (SASB) DISCLOSURES

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Abstract

This study aims to seek the influence of corporate social responsibility disclosures (CSRD) on share prices with the company's reputation as intervening variable. The samples are derived from all of the consumer goods industries, which are listed on Indonesia Stock Exchange during 2014-2018. Content analysis method is used to measure the company's corporate social responsibility disclosures based on company's annual reports and/or sustainability reports. Unlike previous studies, this research applies the Sustainability Accounting Standard Board (SASB) as the disclosures list to award the scores. Panel regression method and Eviews 9 were applied as analytical tools. Findings shows that CSRD does not influence the corporate reputation, but in contrast, CSRD influence significantly and positively to the share prices, and so does the corporate reputation. However, CSRD does not influence the share prices when it is mediated by the corporate reputation as intervening variable. When CSRD and Reputation were examined together, controlled by ROA, these variables positive significantly influence the corporate share price.

Keywords: Consumer goods industries; Corporate reputation; Corporate social responsibility disclosures; Share price; Sustainability Accounting Standard Board (SASB)

INTRODUCTION

In recent decades, issues of Corporate Social Responsibility (CSR) become very interesting to be discussed and studied. The growth of CSR is also supported by the existence of legal regulations in Indonesia which mandate the obligation for business to participate in and disclose their activities in annual and/or sustainability reports. In addition to comply with the legal obligations, there are

objectives to implement social and environmental responsibilities throughout corporations. According to Gunawan (2018), the larger companies will receive more attention in what they are practicing, including social and environmental activities. These companies are expected to provide positive and significant impacts, not only to the company's sustainability, but also to environment and surrounding communities. Pérez (2015) revealed that CSR activities will build good relationship and trust from stakeholders, yet, in the long run, may generate corporate reputation.

In order to create reputation, Pérez (2015) explains that the CSR activities should be reported and publicly available so the stakeholders can have access to explore the activities. In disclosing CSR activities, companies should properly report transparent information and not merely to create good image. The company is also expected to provide comprehensive information about CSR activities that have been carried out, as well as the impacts, both to environment and societies. The proper implementation and disclosure of CSR activities can be used to maintain reputation, as well as to become intangible assets for companies Gunawan (2018).

The importance of CSR becomes more increase along with the concept that profit orientation is no longer the sole main indicator for the company's sustainability. Companies are not only required to produce good financial performance, but also need to think about the impact and development of the surrounding environment and social. The global risk report in 2020 by the World Economic Forum has addressed clearly that environmental risks have become the top risk for businesses, followed by social risks. Further, according to the concept of triple bottom line principles, the responsibility of an organization lies in the interests of all its stakeholders and not only on shareholders through maximizing profits. Hence, companies must align People, Profit, Planets (3P) in their attempts to obtain intangible values that can not be imitated by their competitors (Lenka & Tiwari, 2016).

The awareness of the company in improving non-financial performance can be also identified by the raising of information in both annual and sustainability reports. Bellantuono, Pontrandolfo, & Scozzi, (2016) state that sustainability reporting, whether in annual or separated report should describe how companies manage their economic, environment, and social impacts to allow stakeholders recognize the value of sustainable practices. Sustainability reporting should be able to provide responses to what stakeholders' expectation. Particularly, engaging stakeholders is very essential during the reporting process in order to enhance the value of reporting. By the increase awareness of non-financial performance, then sustainability reporting is also improving. Ismaeel & Zakaria (2019) highlight that in the last quarter of the 20th century, sustainability reporting began to develop as different reporting practices as a result of increasing awareness and concern of the impact of business on society and the environment.

Given the importance of the company's CSR reporting in its sustainability report, companies need to consider the standard reference in preparing the report. A series of standards, such as the UN Global Compact, OECD Guidelines for Multinational Enterprises, Global Reporting Initiatives have emerged to help companies implement, manage, and report on their CSR activities (Vigneau, Humphreys, & Moon, 2015). According to the Financial Service Authority, in Indonesia, the majority of CSR disclosures in sustainability reports are developed based on the disclosure standards in accordance to the Global Reporting Initiative (GRI). However, since 2017, there have been an emerging discussion on the more specific sustainability report standard, developed by the

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Sustainability Accounting Standards Boards (SASB), based in the United States. The SASB provides the accounting matrix for sustainability report based on the particular stakeholders, which is investors, while GRI delivers sustainability report indicators based on more general stakeholders' perspective. By the increasingly of stakeholders' demand on more particular information, SASB can be seen as an improved and specified not only economic, but environment, social, and governance (ESG) disclosure standard (Jebe, 2019). Hence, since prior studies in CSR disclosures (CSRD) applied numerous GRI, this study provides different approach by taking SASB as disclosures list to examine CSRD.

Disclosures in CSR leads to public perception and in the long run could affect companies' reputation (Vlastelica, Kostic, Okanovic, & Milosavljevic, 2018). (Abdullah & Aziz, 2013) state that the company's initiative to disclose CSR is highly recommended in order to influence the stakeholders' perceptions of the company's reputation. In their study, they provide results, showing that there was positive influence of CSRD to the company's reputation. However, it is understandable that CSRD alone will not influence companies' reputation without other factors, in example the practice of governance, customers' satisfaction, or service quality. CSR disclosures also need to be communicated with their activities' impacts as evident. Axjonow, Ernstberger, & Pott, (2018) explain that CSR will bring utmost benefits if the activities provide maximum benefits to societies and therefore, good image may be created.

Increased public awareness of the environment will require companies to disclose CSR activities comprehensively. Gunawan (2015) states that the company's biggest motivation to report CSRD is to obtain a positive image from its stakeholders. This good image is crucial to create trust and in the long term, the trust could be a positive drive to improve companies' performance. Hence, the relationship among CSRD, reputation, and company's performance is logically accepted. Miller, Eden, & Li (2020) argue that CSRD is a form of compliance and legitimate to stakeholders which is reflected to corporate's reputation, and further may affects the firm's performance. In this regard, they state that both negative or positive information about CSR may still explain the corporate's compliance, therefore reputation and performance can be influenced. Over the time, the tendency of the impact of this reciprocal relationship will drive improvement in the quality of the CSRD (Thorne, Mahoney, & Manetti, 2014).

Prior studies conducted by De Klerk, de Villiers, & van Staden, (2015) reveal from the 100 largest companies in the UK and the results showed a positive influence between CSRD on stock prices. Miller et al., 2020) also state that CSR reputation influences the economic performance, while Isnalita. & Narsa (2017) find that customer loyalty is influenced by CSRD, and the loyalty influence firm's values. The survey focused on group discussion to determine weighted method in examining CSRD. Interesting finding that the disclosures items used are to examine CSRD is from GRI and this standard has been used widely in many different type of industries De Klerk *et al.,* (2015). Since the industrial types are significantly different in providing information, Jebe (2019) argues that each company needs to disclose according to its business strategy and therefore, it requires specific items for particular industries. Based on this understanding, this study applies SASB to identify CSRD and hence, this study provides different method of approach in measuring disclosures.

The consumer goods listed companies was chosen as sample in this study as this industry is quite developing every year and receives quite a lot of environmental issues, such as energy, packaging, and emission. The CSRD was measured by a standard issued by SASB, where this standard can help to be more specific in measuring the company's CSRD. A control variable, namely return on assets (ROA) was also applied to control the relations of CSRD, Reputation, and the Share Prices. Park (2017) and Lee & Jung (2016) explain that ROA has been addressed as a significant variable which influence the share prices. Besides, SASB, this study also provides different type of industries from prior studies which majority applying manufacture industries as general and mixed industrial types. Since this study uses specific consumers good industries and relatively new CSRD measurement, namely SASB, the results may provide interesting insights to the area of CSRD, Reputation, and Share Prices.

LITERATURE REVIEW AND HYPOTHESES

Stakeholder Theory

Stakeholders can be interpreted as people and interest groups who broadly have some kind of involvement with an organization Gunawan (2007). This theory explains that in its business activities, a company does not only operate in the interests of its entities but also must pay attention to what benefits can be given to its stakeholders. The reason is because these stakeholders are able to influence the business continuity of a company.

Stakeholders theory has been widely used to explain why a company needs to disclose its CSR activities in sustainability reporting, both in annual or in a separated sustainability report. Frynas & Yamahaki, (2016) conduct a survey with content analysis of 462 peer-reviewed academic articles in the period of 1990–2014 found that CSRD practices were driven strongly by external stakeholders and therefore the stakeholder theory is a dominant theory used to explain CSRD. This finding supports the study carried out by Pérez 92015) who explained that many organizations conducts their CSR activities and report them in annual and sustainability to show their accountability and transparency to their stakeholders.

Omran & Ramdhony (2015) who conducted critical review extensively on the theoretical perspectives in CSRD said that from CSR perspective, stakeholder theory is used to identify pressures from external stakeholders to drive CSRD. This theory is relevant to be applied in companies which operate in developing countries, where they can manage their stakeholders while the pressure of legislation is less as compared to the developed countries (Cordeiro & Tewari, 2015). Thus, stakeholder theory is chosen to this study, as all samples are operating in Indonesia, as one of developing countries. Singh & Mittal 92019) supported the idea that companies have responsibilities to shareholders and other groups that are affected by their actions or in other words for all people who have an interest in the organization. This opinion is also in accordance with the results of study conducted by Gunawan (2015) and Miles (2017) which found that many motivations in disclosing CSR activities and one of them is to meet the demands of its stakeholders in order to show ethical management behaviour.

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Legitimacy Theory

Legitimacy theory is another theory applied in this study as a complement of stakeholder theory. This theory was chosen to show the relationship between stakeholders and legitimate concept, and it is understood that disclosure of social responsibility brings impacts to the company's reputation. This may be caused through public perception. This view is supported by Deegan, (2019) which says that managers must ensure that the company's operations are in accordance with what the community, investors, or government expectation to maintain its reputation and company's sustainability.

In order to the company runs its business activities around the community, and is related to the environment as well, the company needs to show concern for the surrounding environment. In addition, in order to the company create values, it should manage investors' trust, and in order to be operate smoothly, the company needs to comply with regulations. Consequently, managing primary stakeholders are crucial for companies to be sustain. According to Gunawan (2018), organizational legitimacy can be seen as something that is desired or sought by companies, in this case the reputation and positive perception of public. Thus, legitimacy is a potential benefit or resource for a company to survive (going concern).

Various rationales have been explained about the role of legitimacy theory in association with CSRD. Among many undefined theories, legitimacy has been posited to define corporate disclosures as reactions to environmental and social factors and in order to legitimize corporate response. Based on legitimacy theory, CSR activities needs to be disclosed comprehensively and properly in accordance to stakeholder's needs (Guthrie & Parker, 1989).

Consistent with stakeholder theory, legitimacy is also explaining the role of stakeholders, in this regard, it is commonly referring to community, investor, or government as these group are considered giving pressures to corporations (Bhattacharyya, 2016; Dayuan 2017). Ali, Lodhia, & Narayan, (2020) posits that reporting can be used to legitimate and reinforce the corporate's sustainability message. The majority of message in sustainability also dominants with community, which may signal stakeholder expectations. Ali, Lodhia & Narayan examined the photographs to be evident that support messages in sustainability reports. They strengthen that message with photographs provide more legitimate and even repair legitimacy of corporation to its stakeholders. A comprehensive information in sustainability report make the sustainability message explicit and provide greater legitimacy of corporate's performances with may lead to increase of corporate's values.

A leading study conducted by Guthrie & Parker (1989)) state that legitimacy pressure from stakeholders has a significantly positive influence to CSRD, including company's performance, in particular corporate profitability. This finding is also confirmed by Deegan, (2002), another prominent study, who stated that legitimacy theory plays a role to drive corporation in disclosing its CSR activities to improve the public perception and this may linkage to corporate economic performance. Legitimacy theory also suggests that CSRD can be used as a legitimation strategy to influence public perceptions of the corporate's performance. Hence, this study combines the both stakeholder and legitimacy theory to explain the CSRD and how they influence the corporate's reputation, and also corporate's share prices.

Integrating both stakeholder and legitimacy theory will enhance the discussion of findings. This theory association are foremost used to explain how CSRD influence reputation and corporate

shares, driven by the understanding that communities, investors, and governments are the major stakeholder groups which influence CSRD (Gunawan, 2018). If companies turn out to be unable to manage their reputation, the companies' businesses can be disrupted, in example a company's access to transportation can be severely restricted, and to more extreme, such as boycott of operations. This situation may significantly affect the consumer goods companies, as applied in this study.

Further, in accordance with the two theories used in this study, whereas stakeholder and legitimacy theory, companies need to disclose CSR information on their sustainability or annual reports. The company's goal in making this disclosure is to obtain positive perceptions from its stakeholders, as well as reduce asymmetry information. Both of these objectives can be reflected in the level of company reputation and changes in the company's stock price. Taking the relationship of CSRD, reputation, and share prices, this study formulates the association, controlled by return on assets (ROA). The position of CSRD is as the independent variable, the stock price is as the dependent variable, the company reputation is as an intervening variable, and the ROA is as a control variable. The framework in this study is stipulated in Figure 1 with three hypotheses developed.
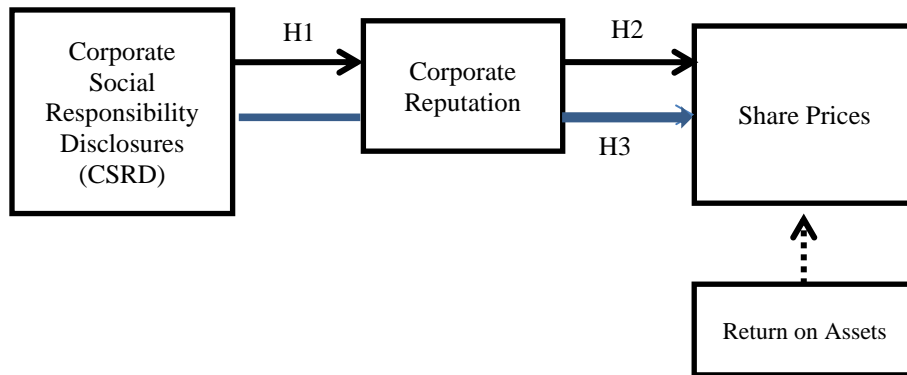

Figure 1
Research Framework

Corporate Social Responsibility Disclosure (CSRD) and Company Reputation
One of the emerging issues are sustainability which closely relate to the process of industrial and reputation. Strong background of the relationship between CSRD and reputation has been discussed as motivation to this study. Social responsibility includes social and environmental activities, such as packaging or plastic-based products which are increasing and demanding to be responded. Yet, the role of companies is important and many companies in consumer goods industries are targeted to respond urgently.

Even though the consumer goods companies have programs and activities related to their CSR, but if they do not disclose to their stakeholders, the activities may not change stakeholder perceptions. Pérez (2015) found that CSR activities should be disclosed comprehensively as they help to create positive impacts to corporate reputation. This reputation is considered as intangible assets for companies and create better impact from public's trust (Gunawan, 2018) Miller et al., (2020) Vlastellica, et al. (2018), Isnalita. & Narsa (2017) and Abdullah & Aziz, (2013)A also found that there is positive influence of CSRD on corporate reputation. Hence, the first hypothesis can be formulated as:

H1   : Corporate social responsibility disclosure (CSRD) has a positive influence on corporate reputation

Corporate Reputation and Share Prices

The corporate reputation reflects what the stakeholders perceive of the company. The better stakeholder perception of the company, it can be assumed that the corporate reputation is also gained better. This reputation can influence the performance of the company. If the company is considered having good image by public, it may be expected that the company's business activities are run smoother compared to those which are in bad reputations. Extremely, some companies that receive bad reputations could get any troubles, in example the blockade from the community which may cause disturbance of operations. In the long run, this unfavorable situation will affect the corporate values poorly.

One of the main stakeholders that will pat attention to the disruption of companies is investor. Investors' perspectives are susceptible in reputation as this may affect their trusts. The company reputation can influence investors in decision making, whether or not they want to invest. To conclude, a company with a good reputation will be considered to have better business prospects in the future, rather than those in contrast(Deegan, (2019) dan Gunawan,(2018).

Studies in examining corporate reputation to share prices have been undertaken with different results based on the different perspectives, theories, type and size of the industries. However, the general findings confirm that better reputation of companies will influence better share prices. Wei at al., (2018), Vig, Dumicic & Klopotan (2017), and Cordeiro & Tewari (2015) found that there is positive correlation between corporate reputation and stock price. Consequently, the second hypothesis can be stated as:

H2   : Corporate reputation has a positive influence on share price

CSRD influences Share Price through Corporate Reputation

Corporate social responsibility (CSR) influences share price as the disclosures of CSR may provide signal of good or bad corporate performance. This finding has been provided by prior studies, such as Miller et al., (2020); Park (2017); Isnalita. & Narsa (2017); and Lee & Jung (2016). Since the company reputation has also influence on stock prices, although this influence can still be positive or negative, it is evident that before the investors make any decisions to invest, the corporate reputation is strongly considered as a value of trust (Vlastelica et al., 2018); Thorne et al., 2014). To examine the relationship of these three variables, in this study apply reputation as an intervening variable which may mediate the relationship between CSRD and the share price. Thus, the third hypothesis can be stated as:

H3   : The Corporate social responsibility disclosure (CSRD influence on share price mediating by corporate reputation

In accordance with the purpose of this study and taking the rationale that return on asset (ROA) as one of the corporate performances which are commonly found significant to influence share price, ROA was selected as control variable. Park (2017) and Lee & Jung (2016) state that ROA is the most widely variable used to measure the influence of CSRD on the share prices.

RESEARCH METHOD

This study applies quantitative approach by testing the hypotheses to explain the relationship between variables, namely CSRD as an independent variable, the share price as a dependent variable, and corporate reputation as an intervening variable, controlled by ROA. The data was collected from all company good industries, listed in Indonesia Stock Exchange during the period 2014 - 2018. The sampling technique used is saturation sampling (saturation sampling method) as this study taking all population members as a sample in order to increase data generalization (Khoerudin, Hermawan & Purnamasari, 2017). After exploring all the data availability, there are 33 consumer goods companies in Indonesia, so the total sample is 165 data (for 2014 until 2018). However, after evaluating, there are some data outliers which reduce the number of samples, hence the sample can be examined was 120 data.

All data used in this study are secondary data, derived from annual and sustainability reports, depend on which reports are available, or both. The reports were taken from the company's official website to calculate CSRD and number of awards, the historical stock price data were obtained from the Yahoo Finance website (www.finance.yahoo.com) to get the stock price data, and the company's financial statements obtained from the company's official website was taken to measure ROA. Unfortunately, all the reports were obtained from the annual reports are none of sustainability reports available. Content analysis was applied to measures CSRD by using SASB in financial sectors, which is commercial banking indicators. After all data is collected and analyzed, a hypothesis test was performed using panel data regression method by EViews 9 software to answer the research problems.

Variables and Measurements

The dependent variable is the share price, which is measured by the closing price of company's shares on December 31. The independent variable is corporate social responsibility disclosure (CSRD), measured by content analysis. The data needed for this variable was obtained from annual reports and sustainability reports. The disclusre list of CSRD is from the items for commercial bank, under financial sector, published by SASB.

The measurement of CSRD can be formulated as:

$$CSRDij = \frac{\sum Xij}{nj}$$

Noted:

CSRD ij = Corporate CSR disclosure ratio for each company

nj = Total indicators for disclosure of sustainability information in SASB

Xij = Number of sustainability information disclosed by each company that will be given scores.

Score of 2 is awarded to any information disclosed in full, in accordance with the indicators in SASB, while score 1 is given to any information disclosed in accordance with SASB, but the disclosures are not fully applied. In contrast, there is score 0 for none of information disclosed in accordance with SASB. After the scores were given, then they are summed and divided by total items in SASB to

generate a certain ratio or percentage. This result shows how many scores for each sample and which information is disclosed dominantly, and least.

The corporate reputation as an intervening variable was measured by summing the total awards obtained by the company for each year. Information about the number of company awards was obtained through disclosures in the company's annual report in the 'events and awards' section, as well as in the company profile section. The total number of awards received by the company each year will reflect the level of reputation. More and more awards were received, reflecting that the company had a higher reputation than companies that received fewer awards (Love, Lim, & Bednar, 2016). Based on the description of the company's reputation variable, the measurement scale used is a ratio scale.

The control variable is return on assets (ROA). This variable describes the amount of margins obtained by a company related to the level of assets efficiency usage. The greater is the value of ROA, the better is the conditions in the company. Hence, the high ratio of the ROA owned by the company is very important for investors in helping them making decisions and to find out whether or not the company will sustain.

Data Analysis Method

To examine the influence of CSRD on the company share prices with the corporate reputation variable as intervening in consumer goods companies, this study use panel data regression analysis techniques. The total sample of 33 companies was obtained within a period of 5 years, so the total data observation was 165 samples. The regression method applied is multiple regression. Based on the decomposition, the regression model to examine the hypotheses are defined as:

$$CR = \alpha + \beta 1 \; CSRD + ROA + \; e \qquad\qquad (1)$$
$$SP = \alpha + \beta 1 \; CSRD + \beta 2 \; CR + ROA + \; e \qquad (2)$$

Note:

CR	= Corporate Reputation
CSRD	= CSR Disclosure
ROA	= Return on Assets
SP	= Share Price
α	= Constant
$\beta 1, \beta 2$	= Regression coefficient
e	= Error

In addition to the analysis using panel data regression, this study also used the Sobel test developed by Sobel (1982) to investigate whether the chosen intervening variable is able to be a significant mediator in the relationship between independent and dependent variables. The sobel test can be described as:

$$t = \frac{ab}{\sqrt{b^2 sa^2 + a^2 sb^2 + sa^2 sb^2}}$$

Noted:

Sa = standard error coefficient a
Sb = standard error coefficient b
b = coefficient of mediating variables
a = coefficient of independent variable

The calculation will generate t value that must be compared with the value of t table to determine whether the selected intervening variable does have a mediating effect. If the value of t value > value of t table, it is concluded that mediation effect occurs.

RESULTS AND DISCUSSIONS

The normal analysis of 165 samples generates quite a number of data outliers, which are 45 observations. Thus, after deleting the outlier's data, the samples use for the analysis was 120. The statistic descriptive to demonstrate the data characteristics is presented in Table 1, showing that standard deviation for share price is very high. This number explains that share price data has a high deviation between the maximum and minimum price.

Table 1
Statistic Descriptive

Description	CSRD	ROA	Reputation	Share Price
Mean	0.2002	0.0626	11.183	1069.80
Maximum	0.5833	0.3587	40.000	4730.00
Minimum	0.0681	-0.2080	0.0000	63.00
Std. Dev.	0.0881	0.0856	9.1339	1015.97
Observations	120	120	120	120

Before examining the hypotheses, a description of CSRD is presented to provide more insights of what kind of information was most and least disclosed by the consumer good companies. Table 2 shows the trend of CSRD for 5 years. The first year of 2014 to 2016, the CSRD increased, then slightly decreased in 2017 to be a slightly increase again in 2018. This pattern is likely showing that the trend of CSRD tends to improve, even though the improvement may not be significant. Ismaeel & Zakaria (2019) stated that many of information disclosed in the annual report is general information, since there is no specific guideline to disclose CSR activities and hence, each company discloses not much different information each year.

Table 2
The Average of Disclosure from 2014-2018
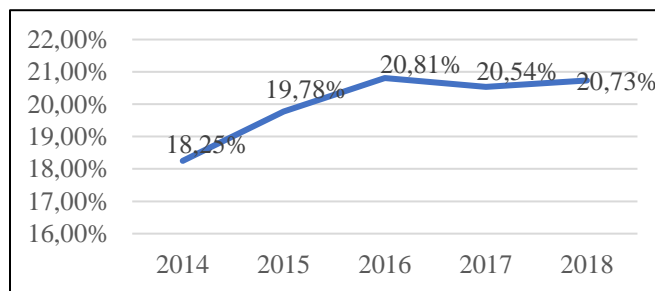
Panel Data Regression Analysis
This study conducted two times regression analysis in accordance with the model developed. The first data analysis aims to test the influence of CSRD to corporate reputation, controlled by ROA.

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The second data analysis purposes to examine the influence of CSRD to the share price, mediated by corporate reputation, and controlled by ROA.

Beforehand, the Chow test was conducted to determine the model between common effect model or fixed effect model

Table 3
Chow Test - Panel 1 (CSRD to Reputation)

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	15.273467	(23,94)	0.0000
Cross-section Chi-square	186.651646	23	0.0000

Table 4
Chow Test - Panel 2 (CSRD & Reputation to Share Price)

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	20.139090	(23,93)	0.0000
Cross-section Chi-square	214.623213	23	0.0000

The hypothesis to determine the model is stated as:
H_0 :   Model estimate using Common Effect Model(CEM) .
H_a :   Model estimate using Fixed Effect Model (FEM).

The decision to select the model was based on comparison of probability between F-calculation with $\alpha = 0,05$:
If the probability of F-calculation $> 0,05$, H_0 is accepted
If the probability of F-calculation $< 0,05$, H_0 is rejected

The two Chow test results show that both F-calculation was $< 0,05$, so the Fixed Effect Model is better to be applied for this study. Next, Hausman test was conducted to select the better model between Fixed Effect Model or Random Effect Model. Table 5 and 6 show the Hausman test results.

Table 5
Hausman Test - Panel 1 (CSRD to Reputation)

Correlated Random Effects - Hausman Test
Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	8.758357	2	0.0125

Table 6
Hausman Test - Panel 2 (CSRD & Reputation to Share Price)

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	7.492670	3	0.0577

The hypothesis to determine the model is stated as:
H_0: Fixed Effect Model (FEM) is not appropriate to be applied and Random Effect Model (REM) is more appropriate model.
H_a: Random Effect Model (REM) is not appropriate to be applied and Fixed Effect Model (FEM) is more appropriate model.

The decision making was based on the probability of statistic Chi-Square with $\alpha = 0,05$:
H_0: If the probability of statistic Chi-Square $> 0,05$, H_0 is accepted
H_a: If the probability of statistic Chi-Square $< 0,05$, H_0 is rejected

Table 5 shows that the Hausman test panel 1 has the probability of statistic Chi-Square 0.012, which is $< 0,05$ and therefore Random Effect Model (REM) is not appropriate to be applied and Fixed Effect Model (FEM) is more appropriate model. In addition, the Hausman test panel 2 has the probability of statistic Chi-Square 0.0577, which is $> 0,05$ and therefore Fixed Effect Model (FEM) is not appropriate to be applied and Random Effect Model (REM) is more appropriate model. The result of Hausman test panel 2 needs to be further examined using Lagrange Multiple (LM) to determine which Random Effect Model or Common Effect Model is better applied. Table 7 and 8 show the result of Lagrange Multiple test.

Table 7
Lagrange Multiplier Test - Panel 2 (CSRD & Reputation to Share Price)

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

| | Test Hypothesis | | |
	Cross-section	Time	Both
Breusch-Pagan	129.2265	0.968753	130.1953
	(0.0000)	(0.3250)	(0.0000)

The hypothesis to determine the model is stated as:

H_0:   Common Effect Model (CEM) is more appropriate to be applied compared to Random Effect Model (REM)

H_a: Random Effect Model (REM) is more appropriate to be applied compared to Common Effect Model (CEM).

The decision making was based on the probability of statistic Chi-Square with $\alpha = 0,05$:

H_0:   If the probability of Breusch-Pagan $> 0,05$, H_0 is accepted

H_a: If the probability of Breusch-Pagan $< 0,05$, H_0 is rejected

Table 7 shows that Breusch-Pagan $< 0,05$ and this result suggest that Random Effect Model (REM) is more appropriate to be applied compared to Common Effect Model (CEM).

Further, determinant coefficient test was undertaken to explain the strength of model in order to see the influence of independent variables to the share price. The result shows that in the Panel 1, the adjusted R^2 is 0.8388 and adjusted R^2 is 0.7959, explaining that CSRD with ROA as a control variable can explain 83.88% to corporate reputation and the remaining is explained by other factors. Panel 2 shows that the adjusted R^2 is 0.1228 and adjusted R^2 is 0.1001, explaining that CSRD, ROA can only influence 12.28% to the share price, while the other factors should explain 87,72%.

Hypotheses Testing

Further analysis was carried on to examine the hypotheses. The first step, F-test Panel 1 was examined as presented in Table 8 and Panel 2 was in Table 9.

Table 8
Result of F-test – Panel 1 (CSRD to Reputation)

F-statistic	19.57260
Prob(F-statistic)	0.000000

Table 9
Result of F-test – Panel 2 (CSRD & Reputation to Share Price)

F-statistic	5.414698
Prob(F-statistic)	0.001602

Both results from Table 8 and 9 show that statistic F has generated values of 0.0000 and 0.0016, which are $< 0,05$ so they can be said that CSRD and ROA significantly influence corporate reputation, whereas CSRD, ROA, and corporate reputation significantly influence the share price.

Further analysis was conducted to examine the influence from the individual independent variable to dependent variable. The t-test was performed and the result shows in Table 10 and 11.

Table 10
T-tes Results-Panel 1 (CSRD to Reputation)

Dependent Variable: Reputation
Method: Panel Least Squares
Total panel (balanced) observations: 120

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CR	12.70337	2.725420	4.661068	0.0000
CSRD	-5.596772	12.70013	-0.440686	0.6605
ROA	-6.371283	11.78616	-0.540573	0.5901

Table 11
T-tes Results-Panel 2 (CSRD & Reputation to Share Price)

Method: Panel EGLS (Cross-section random effects)
Total panel (balanced) observations: 120
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CR	352.5658	258.9002	1.361783	0.1759
CSRD	1922.659	944.6342	2.035348	0.0441
ROA	2346.903	903.6358	2.597178	0.0106
REPUTATION	16.55548	8.044395	2.058015	0.0418

The Influence of CSRD on the Corporate Reputation
The t-test result as shown in Table 10 generated values of 0.6605 for CSRD and 0.5901 for ROA. Since these both values are greater than 0.05, so it can be said that both CSRD and ROA do not influence corporate reputation significantly. In other words, the disclosures of CSR in consumer goods companies and also the role of ROA cannot significantly influence the share price. This result is inline with Axjonow *et al.,* (2018) which said that disclosing many information of CSR is not important as these activities will need lots of time, efforts, and costly. Investors may think that CSRD information is just used to create good image, but fail to create long term good reputation. It is also argued that CSR information which provided in the reports is still unreliable as companies tend only providing good information, rather than bad news. Hence, the transparency of information is doubted. Public may assume in skeptical views that CSR information is only provided in terms of donation activities which less sustain in the long term as there are no measurement in calculating the values or benefits. Most activities informed in CSRD are dominant by philanthropy activities without any targets or strategies, and these will only be creating costs compared to the benefits. This perspective is very important to be noted for companies in order to provide more credible and useful information to public. The activities which can create values for sustainability are much more demanding so public's trust may recognize the information as better values.

The Influence of Corporate Reputation and Share Prices
Table 11 shows that p-value of corporate reputation to chare price is 0.0418, indicating that this value lower than 0.05 and hence, the corporate reputation influence the share price significantly. This result explains that reputation of companies can be considered as one factor that influence the decision

making of investors so they decide to invest and consequently, the share price may increase, and support the findings of Wei et al., 2018) Vig, Dumicic & Klopotan (2017) and (Boubaker, 2007) Cordeiro & Tewari (2015). Consumer goods companies sell products to be consumed by people in order to support their daily life as considered as the end products. These products are quite sensitive as many consumers rely to use them based on reputation and trust (Stewart & Niero, 2018). Products include in consumer goods, in example clothing and food. Vig, Dumicic & Klopotan (2017) revealed that public and investors will trust companies when they feel that these companies can produce good products and therefore, they may want to invest in order to obtain capital gain. In the long term, trust will create better performance and this turn into increase of share price (Wei et al., 2018); Tan, 2020).

The Role of Corporate Reputation in Mediating CSRD to Share Price
This study applies Sobel test to measure the role of Corporate Reputation in mediating the relationship of CSRD and Share Price, as an intervening variable. Based on the results, the probability value of p-value is 0.6665, which is greater than 0.05. These results indicate that H0 is accepted, which means that the company's reputation is not able to mediate the influence of CSRD variable on the stock price. Hence, the third hypothesis is rejected. This result strengthens the finding of hypothesis 1 which found that CSRD is not able to influence the Corporate Reputation, even though Corporate Reputation is significantly influence Share Price (H2 is accepted).

General Discussion
Overall findings show that CSRD and Corporate Reputation, controlled by ROA can influence together to Corporate Share Price, but CSRD itself cannot influence Reputation, without ROA. (Freudenreich, et, al; 2020) explain that stakeholders are now getting aware in responding to information provided by companies as many companies only disclose positive and good information. It seems that stakeholders cannot simply trust and this doubtful feeling cannot easily create reputation. Stakeholders will evaluate more on the value creation, rather than good information without any measurement. Different interests of values may be different among different stakeholders and hence, CSRD should be able to respond to any primary stakeholders' needs and providing information in value creation in their sustainability reports. Since one of the main stakeholders are investors, who play significant role in corporate share price, investors may react positively to any green information disclosed as a part of CSRD as long as the information is credible and valuable (Cordeiro & Tewari 2015) and (Polii & Herawaty, 2020) The investors reaction is also significantly influenced by corporate legitimacy as a form of risk management and good governance. Socially responsible companies can be rewarded with their share price increase if they are reliable and transparent.

Disclosing of corporate social responsibility is still voluntarily in Indonesia, also publishing sustainability reports for consumer goods companies. Hummel & Schlick (2016) say if the quality of voluntary disclosures is based on corporate values, including financial performance. Hence, ROA could be an appropriate variable as applied as a variable control in this study and its role significant in influencing share price by controlling the position of CSRD. Voluntary disclosure is also closely related to legitimacy theory which is considered as foundation concept to explain the CSRD and share price.

CONCLUSION, LIMITATION AND IMPLICATION
This study finds and discusses interesting findings in explaining CSRD, ROA, Corporate Reputation, and Corporate Share Price in 24 consumer goods industries during 2014 until 2018 with total sample of 120 sustainability reports. Conclusions can be drawn as the following:
1. The disclosure of CSR is unable to influence the reputation of the consumer goods industries.
2. The corporate reputation is significant positively influence to the share price in consumer goods industry industries.
3. The role of company's reputation cannot mediate the influence of CSRD to share price, even though CSRD was found significantly influence directly to the share price.

This study has several limitations which should be taken carefully in interpret the results. First, the samples from sustainability reports are limited and therefore, the source of reports is not homogeny, while some companies publish only annual reports, and the rest are both annual and sustainability respectively. This discrepancy may affect the quality of results as the total disclosure scores vary across companies. Second, since there are limited understanding of Sustainability Accounting Standard Board (SASB) Standard used as a disclosure list in developing sustainability reports, the result of measurements is considered low. This finding may explain why the total CSRD is also low, explaining that many information in the sustainability reports are disclosed limited. Finally, subjectivity may occur since awarding scores in CSRD depends on the expertise in understanding the context.

Apart from the limitations, this study provides insights, in particular introducing SASB as a new measurement in examining CSRD as SASB is now getting wider used by many companies. The existence of sustainability is also acknowledged by larger stakeholder groups and therefore, study in this area will gain future demands. The discussion of stakeholders and legitimacy theories also important to provide understanding of the role of theories which many ignored the importance. For consumer goods industries, this study may be a wake-up call to improve the quality of information in sustainability reports and respond to stakeholders' information needed. The companies should be aware that report is a public domain which picturing companies' credibility and hence, disclosing information in sustainability report should be credible and reliable.

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