Company Reputation in The Era of Covid 19 as Moderating Variable for The Relationship Between CSR, Company Assets Growth and Company Performance

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Abstract. The Indonesian economy has been able to develop to this day because of the support from the development of various types of companies in Indonesia, both open and closed and companies in the form of other business entities. These companies, in addition of competing with each other within their industrial scopes, also have to maintain good performance. Therefore, the measurement of the performance of a company will continue to be carried out and the methods used will continue to develop as long as the company still exists and continues to live and develop. Performance measurement itself is carried out by the company as a formal means to measure the success of the company itself in generating profits with its own resources. This study aims to analyze the effect of the growth of company assets and Corporate Social Responsibility (CSR) on the company's overall performance with company reputation as moderating variable between the era before Covid-19 and the very first year of pandemic. The population in this study are companies listed on the Indonesia Stock Exchange (IDX) in the property, real estate, building construction, and agriculture sectors between 2019-2020, totaling 65 companies. The research sample is a company that meets the criteria as many as 28 with a total of 84 units of analysis. The data collection technique used non-probability sampling technique with purposive sampling method in the form of secondary data obtained from the performance reports of listed companies from the IDX website (IDX.com). the form of data is in the form of annual reports and CSR publications on the company's website. The analysis tool uses descriptive statistical analysis and moderated regression analysis in the form of the Moderated Regression Analyze test.

Keywords: Firm Reputation, Firm Performance, CSR, Asset Growth, Annual Financial Report

1 Introduction

Indonesia's economy has been able to develop in part because of the support from the rapid growth of various types of companies in Indonesia, both open and closed and companies taking the form of other business entities. Of course, even though it is growing quite rapidly, there are times when the economy of this country experiences ups and downs. There are various causes of these economic fluctuations, including the economic crisis, industrial

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competition in the era of globalization and international free markets and also the most recent Covid-19 pandemic that applies globally. When we talked about the numbers, it was 6.17% in 2011, 6.03% in 2012, 5.56% in 2013 and in 2014 it was 5 0.02%. It could only experience a slight increase in 2016 by 5.02%, in 2017 by 5.07%, and in 2018 by 5.06%. The reason for the increase is because the superpowers such as China and the United States have strengthened again so that it has a positive impact on most countries in the world, including Indonesia.

This greatly affects the business continuity of various companies in Indonesia. In addition to still having to compete in their respective industrial clusters, they also have to maintain good performance. Good company performance is the main goal for a company. Company performance is one of the company's operational indicators to achieve company goals. Fahmi [1], defines company performance as an analysis carried out to see how far a company has implemented using financial implementation rules properly and correctly. The company's performance in general can provide an overview of the company's condition. Such information is certainly very important for external parties such as investors in assessing the company's performance by analyzing the company's financial statements. The indicators seen, for example, are various financial ratios. Performance issues are one of the most important issues for all companies. One of the main objectives of establishing a company is to obtain maximum profit. Companies must have a healthy and efficient performance to earn profits. Agnelia et al. [2], explains how important the company's performance is for every company to be able to compete in the industry and in an effort to maintain its business because the company's performance is a work achievement achieved by the company in a certain period and is listed in the financial statements, so that it can be known by users.

financial statements regarding the company's profitability. If the company's profitability is low, it can be said that the company's performance has decreased. The phenomenon that can be used as an example is that in 2016 the net profit of three giant property companies in this country experienced a significant decline. In addition to property sector companies, there are severely a slowdown in revenue growth in between 2015 - 2017 agricultural sector companies, The increasing trend from 2017 to 2019 unfortunately had to stop, because at the beginning of the first quarter of 2020, this country entered a pandemic period which had a very large negative impact on the domestic economy. according to Yonnedi [3] several factors that affect the company's performance are profitability, company growth, financial stability, employee welfare, and social responsibility goals. Based on the above statement, it can be concluded that the variables of asset growth, CSR activities, and company reputation are factors that affect the company's performance. Meanwhile, according to Brigham and Houston [4] there are five categories of ratios to measure company performance, namely liquidity ratios, asset management ratios, debt management ratios, profitability ratios, and market value ratios. Why is profitability ratio analysis very important for companies to do? The analysis can be used to assess the company's ability to earn a profit. In this study, researchers have a goal to measure the company's performance using profitability ratios. One of the profitability ratios that will be used is Return on Equity (ROE). The choice of ROE ratio is based on the consideration that according to the Du Pont system, ROE is the final result of multiplying several financial ratios used to see the company's performance in addition to the ROA ratio, net profit growth, and dividend payout ratio. Stewardship theory is a situation where managers do not have personal interests but are more concerned with the wishes of the principal (supervisor) [5].

Company management and shareholders have a common goal, namely the survival of the company (going concern). Stewardship theory also explains that there are situations where managers as stewards and shareholders as principals are not motivated by individual goals but rather prioritize the common interest. The trust given by investors to the company is in the form of an agreement so that the company acts in accordance with the company's main goal, namely to earn profits as a measure of high company performance. Humanitisri et al. [6] produced a study which states that company reputation mediates a positive relationship between CSR and company performance. In addition, Gupta [7] also supports the positive influence of a company's reputation on competitive advantage that successfully distinguishes it from competitors. Isgiyarta and Aryani [8] explained that asset diversification mediates the relationship between asset growth and ROA. What is new in this research is how to use the patented measures above to capture the performance rate of the companies in various sectors, which are quite large in size during the Covid-19 pandemic.

Because as we know, Indonesia's economic growth, which on average is good enough, has experienced a sharp decline and has even experienced a recession. In line with the government's instructions that development must continue, a property company was chosen to see how the trend was for the 3 year financial period from 2018 to 2020. For comparison, companies that were visually quite affected, such as companies in agricultural clusters. All company samples used were taken secondary data from www.idx.com.

2 Method

This type of research is quantitative research. The collection and measurement of research data is in the form of numbers which are then analyzed quantitatively in statistical form using the IBM SPSS Statistics application program. The sampling technique in this study used a non-probability sampling technique with a purposive sampling method. Research data collection uses documentation and statistical data analysis with the aim of testing hypotheses. If viewed from the output, this type of research is basic research that aims to develop science. The research design used in this study is a hypothesis testing study. This study aims to examine the effect of the hypothesized variables in the study. The population used in this study are companies listed on the main IDX listing board for the property, real estate, building construction, and agriculture sectors for the period 2018-2020, totaling 65 companies. The selection of the population is based on considerations because apart from companies in this sector are growing popular among business people, especially in big cities because of the market demand for property, such as housing and buildings for business purposes and financially, also because during the pandemic, construction companies, property remains the main source of income. priority in its role for the development of Indonesia. On the other hand, agricultural companies are considered to be a group of companies that are quite hard hit by the Covid-19 pandemic.

The stages of sample selection are carried out by knowing in advance the number of research populations. Then after the population is known, then look for the required number of samples using the following sampling criteria: 1) The population of all companies listed on the main IDX listing board in the property, real estate, building construction, and agriculture sectors. 2) Companies in the property, real estate, building construction, and agriculture sectors that are consistently listed on the IDX in 2018-2020. 3. Have complete data on ROE, asset growth, and dividends for 2018-2020 on the performance report of IDX listed companies. 4) Have an annual report or Corporate Social Responsibility (CSR) disclosure in 2018-2020.

Table 1. Company list

Stock code	Name
PWON	Pakuwon Jati Tbk.
RDTX	Roda Vivatex Tbk
SMRA	Summarecon Agung Tbk.
SSIA	Surya Semesta Internusa Tbk.
TOTL	Total Bangun Persada Tbk.
WIKA	Wijaya Karya (Persero) Tbk.
WSKT	Waskita Karya (Persero) Tbk.
ANJT	Austindo Nusantara Jaya Tbk.
BISI	BISI International Tbk.
LSIP	PP London Sumatra Indonesia Tbk.
SGRO	Sampoerna Agro Tbk.
SSMS	Sawit Sumbermas Sarana Tbk.
SIMP	Salim Ivomas Pratama Tbk.
PPRO	PP Properti Tbk.
PTPP	PP (Persero) Tbk.
ACST	Acset Indonusa Tbk.
ADHI	Adhi Karya (Persero) Tbk.
BEST	Bekasi Fajar Industrial Estate Tbk.
CTRA	Ciputra Development Tbk.
DMAS	Puradelta Lestari Tbk.
GPRA	Perdana Gapuraprima Tbk.
IDPR	Indonesia Pondasi Raya Tbk.
JKON	Jaya Konstruksi Manggala Prata Tbk.
JRPT	Jaya Real Property Tbk.
LPKR	Lippo Karawaci Tbk.
MTLA	Metropolitan Land Tbk.
NRCA	Nusa Raya Cipta Tbk.
PLIN	Plaza Indonesia Realty Tbk.

(Processed secondary data, 2021)

3 Results and Discussion

Hypothesis testing using linear regression analysis and to test the effect of moderation using the MRA method. which is preceded by statistical descriptive analysis. The classical assumption test was carried out to ensure that the data held were reliable and unbiased. The tests carried out were normality, auto correlation, heteroscedasticity, and multicollinearity. Based on the results obtained, the existing data passed the test and was declared fit.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROE	84	-9.0	19.0	5.578	6.3393

	N	Minimum	Maximum	Mean	Std. Deviation
AG	84	-14.0	16.0	2.974	5.9023
CSR	84	24.3	70.6	43.400	11.3167
TSR	84	-7.2	19.2	4.227	4.5566

(Processed secondary data by SPSS, 2021)

Based on the descriptive statistical table above, it is shown that there is a fairly far distribution on some of the existing variables. ROE describes the general performance of the company. It turns out that even during the pandemic, there are still companies whose performance is still quite good, although it is inevitable that some will reach a minus level. As for asset growth, some companies have been very helpful with a fairly strong growth trend between 2017 and 2019. So even though they experienced a setback, the decline was not too sharp.

The depiction that is still quite good is the level of corporate social responsibility which, even in difficult times, is still quite high and does not experience any minuses at all. This shows that the spirit of gotong royong in this country is still quite strong. The strong give help to those below. The last variable is the company's reputation variable. This variable has two other variables besides CSR. There are conditions that have reached minus but those that survive above are still there. Furthermore, the discussion is about the hypothesis proposed in this study. There are 4 hypotheses proposed, the first is whether the growth of company assets has a positive effect on company performance. the second is whether the level of CSR implemented by the company shows the quality of the company's performance. The third hypothesis discusses whether a company's reputation moderates the relationship between asset growth and company performance. The last is whether the company's reputation also functions as a moderating variable on the relationship between the company's CSR and the performance of the companies sampled.

3.1 The effect of asset growth on company performance

Based on the research hypothesis testing, it shows that asset growth has an effect on company performance. This is evidenced by the results of the linear regression test which produces a significance value that is smaller than the significance level used, namely 5% or 0.05, which means that H1 is accepted. This means that if the growth of a company's assets is getting lower or higher than it has an influence, which although there is but only a little, this is shown by the R square number which only amounts to 11.1%.

Table 3. Secondary data by SPSS (2021)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	371.139	1	371.139	10.266	.002[b]

a. Dependent Variable: ROE
b. Predictors: (Constant), AG

Companies that have a high asset growth value indicate that the company is maximizing the company's sources of funds. Funding from investors is one of the main sources of funds for the company. The proceeds of these funds can be used to increase a number of company assets. The high number of assets and funded by investors is a positive thing for investors because investor funds are realized in the form of company assets while also reflecting the good development of the company. However, the return from asset growth cannot be realized in a short time, so even though there is an effect on the company's performance, the effect is not too large. This is because in general assets will provide returns in the long term. For example, if a company buys a factory and car production machinery in 2020, the return on the purchase of these assets cannot be realized in a short time and after calculating these assets can provide a return on the production of several thousand units of products in the next few years.

This is different from sales because returns can be realized in a short time, namely the acquisition of income in a certain period so that it can directly affect the company's performance. This is in line with the opinion of Brigham and Houston [9] which states that investment in assets takes time before being operated so that the activities carried out are not related to revenue. On the other hand, if the company adds assets sourced from profit funds, it can suppress company profits. So that asset growth is not the main reason the company is said to have increased performance. Because the amount of high asset growth does not guarantee the addition of high company performance. The results of this study indicate that asset growth has an effect on company performance, although not as a major influence. This result is different from the research of Horne [10], which states that an excess level of current assets can easily make a company realize a low return on investment (profitability).

While the research that is in line is research by Kirmizi [11] which examines the effect of capital growth, asset growth on return on assets. The results of this study found that asset growth has an effect on return on assets. In addition, there is also research by Winda [12] which examines the analysis of the effect of asset growth, sales growth and cash flow on return on assets. The results of this study found that the asset growth variable has an effect on return on assets. Ariyasa et al. [13], stated that asset growth had a positive effect on profitability.

3.2 The Influence of Corporate Social Responsibility (CSR) on Company Performance

Based on the research hypothesis testing, it shows that CSR has no effect on company performance. This is evidenced by the results of the linear regression test. The significance value obtained is much greater than the significance level of 5% or 0.05 and H2 is rejected. This means that if the CSR generated by a company is higher, then there is no effect on the ups and downs of the company's performance level.

Table 4. The Results of the Linear Regression Test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.640	1	45.640	1.138	.289b

a. Dependent Variable: ROE
b. Predictors: (Constant), CSR

(Secondary data by SPSS, 2021)

Companies that have a high CSR score indicate that the company suppresses the funds owned by the company in order to get a positive perception from stakeholders. The greater the CSR will result in a reduction in company profits. In general, when the company earns high profits, the company will be more inclined to secure it for future needs. So that a high CSR score is not the main reason for companies to improve performance. Because a high amount of company funds does not guarantee a high CSR score and significantly reduces company profits. Research by Lin et al. [14] states that CSR can provide positive perceptions from certain stakeholders, such as company management and users who are aware of social and environmental issues. However, CSR has the potential to directly reduce the company's performance due to the use of profits as funding for CSR activities. Companies that invest in CSR will have a higher portion of CSR funds and companies must try harder for profit efficiency.

Ghozali and Chariri [15] And Titisari et al. [16] stated that CSR is also seen as less desirable by shareholders because it is a sensitive issue in Indonesia. This can be seen from only a few companies that make specific sustainability reports. The benefits of CSR activities are also not necessarily able to cover the costs incurred. According to Waddock and Graves [17] stated that CSR reflects the less competitive advantage of the company. This is in accordance with the statement by Sembiring [18] which states that CSR is only seen as a tool to provide "good news" for shareholders, even though it actually suppresses the profits earned. In addition, most investors have a low perception of CSR disclosure because generally companies disclose CSR only as part of advertising and avoid providing relevant information [19].

3.3 The Effect of Company Reputation on the Relationship of Asset Growth to Company Performance

Based on the hypothesis testing, as Ghozali [20] said, the research conducted shows that the company's reputation weakly strengthens the influence of asset growth on company performance. This is evidenced by the results of the MRA test which produces a significance value that is smaller than the significance level used, namely 5% or 0.05. This means that if there is any number of changes in the company's reputation, it has an influence on the relationship between asset growth and company performance.

Table 5. The Results of the MRA Test

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	639.999	3	213.333	6.332	.001[b]
a. Dependent Variable: ROE						

(Secondary data by SPSS, 2021)

This is true with the opinion of Brigham and Houston [9] which states that investment in assets takes time before being operated, so that if the activities carried out are related to an increase in reputation, then there is a possibility that the company's performance will also be carried up.

3.4 The Effect of Corporate Reputation on CSR Relationships on Company Performance

Based on the hypothesis testing, the research conducted shows that the company's reputation actually strengthens the influence of CSR on company performance. This is evidenced by the results of the linear regression test with the MRA method yielding a significance value of less than 5% or 0.05.

Table 6. The Results of the Linear Regression Test

Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	428.265	3	142.755	3.928	.011[b]

a. Dependent Variable: ROE
b. Predictors: (Constant), CSR-TSR, CSR, TSR

(Secondary data by SPSS, 2021)

By doing CSR, in the eyes of the community the company's reputation will increase, that's what makes people think that companies that have CSR have good performance. This is information when viewed from the context of a signal that can improve the company's reputation [21]. Therefore, Hanafi [22] said, reputation is important for the development of a company. A good company reputation will certainly provide good reciprocity for the company in the future because with a good reputation, stakeholders will put their trust in the company and the company's products, encourage consumers to prefer to use company products or services, affect employee recruitment because employees will be more attracted to companies with good reputations, and get coverage from the mass media where these things have an impact on the company's profitability in the future [6].

4 Conclusion

The conclusion of this study is that H1 is accepted even though the effect is not too large. Then H2 is rejected, H3 is accepted and H4 is also accepted. This shows that the economic condition of this country, which is currently in a state of the Covid-19 pandemic, is able to show things that are different from previous research. Even though there are some result that measured by some financial ratios from PSAK which does not really describe the actual condition. Even like that, the overall result is still consider as strengthening.

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