ANALYSIS OF FACTORS AFFECTING ISLAMIC SOCIAL REPORTING (ISR) DISCLOSURE WITH ACCOUNTABILITY AS MODERATING VARIABLES (Empirical Study on Companies Listed in the Indonesian Sharia Stock Index (ISSI) 2016-2018)

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Abstract - This study aims to examine the factors that influence the disclosure of Islamic Social Reporting (ISR) with accountability as a moderating variable with a study of companies listed on the Indonesian Sharia Stock Index (ISSI).
This study uses a quantitative approach measured by multiple linear regression-based methods and the Moderated Regression Analysis (MRA) test with Eviews 10.0. The population of this study were companies listed on the Indonesian Sharia Stock Index (ISSI) from 2016 to 2018. The sampling technique in this study was purposive sampling, with a sample size of 126 companies so that the total observation was 378 observations. The data used in this study are secondary data from the Indonesia Stock Exchange (BEI) and the Financial Services Authorization (OJK) through the websites www.idx.co.id and www.ojk.go.id.
The results of the research prove that profitability does not have a significant effect on disclosure. The utilization of assets has a significant effect on the ISR. Leverage has a significant effect on ISR. Finally, accountability is able to moderate the variables of asset utilization and leverage on ISR disclosure.

Keywords: Profitability, Asset Utilization, Leverage, Accountability and Disclosure of Islamic Social Reporting (ISR)

I. INTRODUCTION

The more companies that are established, the more attention is paid to corporate social responsibility. This responsibility is the basis of business ethics carried out by every company. There has been a change of view regarding accountability management, from which the company is initially responsible to the shareholders, then the company must also be accountable to the stakeholders. This change refers to the stakeholder theory which considers that there is a reciprocal relationship and mutual influence between companies and stakeholders. Corporate responsibility towards stakeholders is also known as social responsibility or Corporate Social Responsibility (CSR). (Mandaika & Hasan 2015)

The concept of CSR is now not only developing in a conventional economy, but also developing in an Islamic economy. The concept of CSR in Islam is closely related to companies yang carrying out business activities in accordance with the concept of sharia so that it can be expected that the company also carries out Islamic social responsibility. The development of CSR in the Islamic economy has also contributed to increasing public attention to Islamic financial institutions. Islamic financial institutions are divided into two, namely bank financial institutions and non-bank financial institutions.

Similar to conventional companies, sharia-based companies also carry out the concept of CSR and develop it to comply with sharia principles. Assessment of corporate social disclosure in accordance with Islamic law, using the Islamic Social Reporting (ISR) index. The ISR index contains a compilation of CSR standard items established by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) where these items measure the level of social disclosure of a company according to sharia principles in its annual report.

Leverage is a factor that is considered to influence ISR disclosure. Leverage, which is proxied by the Debt to Assets Ratio (DAR), is the debt ratio used to measure how much the company's assets are financed by debt or how much the company's debt affects asset management. There is a negative influence between Leverage as proxied by DAR and disclosure of social responsibility. In accordance with agency theory, company management with a high level of leverage will reduce disclosure of social responsibility and vice versa (Istiani, (2015 in Eksandy 2017).

To realize disclosure in accordance with Sharia, accountability in disclosure is needed. Accountability is not only for humans and humans but also for humans and Allah SWT as quoted in Q.S. An Nahl: 112 which reads: "And do not say what is called by your tongue a lie, this is lawful and it is haram to lie against Allah, verily those who lie are not lucky".

II. LITERATURE REVIEW

2.1 Theoretical basis

Islamic Social Reporting (ISR)

Islamic Social Reporting (ISR) itself is an extension of the social performance reporting standards which includes the expectations that the community has, not only regarding the company's role in the economy, but also the company's role in a spiritual perspective (Haniffa, (2002: 132 in Asriati, 2016).

ISR = Total ISR score fulfilled / Total maximum score

Accountability

Accountability is a term used in describing the level of accountability of a person or an institution related to its administrative system.

Accountability = Total score fulfilled / maximum number of scores

Profitability

Profitability is every company's ability to generate income from sales activities related to operations or in terms of managing assets related to the future for the company, so that profitability can be used as a benchmark for investors and creditors in assessing the performance of a company, so it can be said that the greater the level profitability, the better the company's performance.

ROA = net profit after tax / Total assets

Source: Permatasari (2019)

Asset Utilization

Asset management is a process of managing all tangible and intangible resources that have economic value and are able to drive the achievement of the goals of individuals and companies. Through a management process that is abbreviated as POAC, namely: planning, organizing, actuating and controlling so that it can be utilized or can reduce costs efficiently and effectively. (Sembiring, Rio 2019).

Asset Utilization Ratio = Sales / Total Asset

Leverage

Leverage is the amount of debt used to buy and finance all company assets. The higher the amount of company debt, the higher the company's leverage level. If the company's debt is low, the leverage level will be low. (Ramadan, Finata 2020 Article).

DAR = Total Debt / Total Assets

Source: Sugeng, B (2017)

2.2 Review of Previous Research and Hypothesis Development

1. **Effect of profitability on ISR disclosure**

According to Tasya (2018) profitability is every company's ability to generate income from sales activities related to operations or in terms of asset management related to the future for the company, so that profitability can be used as a benchmark for investors and creditors in assessing the performance of a company.

With the understanding that profitability is a benchmark for investors or creditors, each company will explain in detail the profitability obtained in their annual reports. And Muslim investors will also see the annual report and its disclosure in the ISR as a consideration for the profit generated according to Islamic law.

Research by Sabrina & Betri in 2018 shows that there is a significant influence between profitability and joint leverage regarding the disclosure of Islamic Social Reporting.

H_1 : Profitability has a significant positive effect on ISR disclosure

2. **Effect of asset utilization on ISR disclosure**

Utilization of assets, namely to illustrate that each company has made efficient and effective use of asset management or not, because the asset itself is a resource owned by the company which, if managed properly, will produce something profitable.

The assets used in a company will be of concern to the board of commissioners and stakeholders, so to be able to see more clearly the company should report in detail the asset management that was carried out during the company's operation in its annual report so that this disclosure will affect ISR later. Asset management is in accordance with Islamic law or not.

From the description of the utilization of these assets, it can be seen that the utilization of assets has a significant effect on ISR disclosure because by knowing the asset utilization ratio, it will be seen how the asset management in a company in generating income is in accordance with the Sharia or not.

H_2 : Utilization of assets has a significant positive effect on ISR disclosure

3. Effect of leverage on ISR disclosure

According to the Finsta article on his website written by Ramadan, A. (2020) leverage is an use of a source of funds or assets owned by a company with fixed costs that must be borne by the company.

The leverage ratio is used to describe the sources of funds obtained by the company which tend to be used for long-term operational or investment activities.

With this understanding of leverage, companies must explain in their annual reports where the funds are used in the company's operations. Disclosure of the source of these funds has an effect on ISR because it will be seen whether the source of these funds is in accordance with Islamic law or not.

According to research by Eksandy (2017), it is clear that leverage has a negative effect on ISR disclosure after being moderated by accountability and transparency.

H_3: ***Leverage has a significant negative effect on ISR disclosure***

4. The effect of accountability as a moderating variable on ISR disclosure

Accountability is a form of responsibility for each company to the environment, both inside and outside the company and in accordance with the sharia principles established by IAEI.

Eksandy research (2017) shows that accountability is able to moderate leverage so that it has a negative effect on ISR disclosure.

Accountability, which is the moderating variable, is based on the points listed in the IAEI, where these points will strengthen the relationship and explanation obtained from the annual reports of each company, namely profitability, asset utilization and leverage so that the basis for these details relates to ISR disclosure.

H_4 : Accountability is able to moderate the independent variable on ISR disclosure

III. RESEARCH METHODS

This study uses the strategy used in this study using a quantitative approach. This approach is in accordance with the background described, the problem formulation, and the research objectives. The population in this research is the companies listed on the Indonesian Sharia Stock Index (ISSI) for the 2016-2018 period. The list of known populations is 456 companies. The sampling technique in this study was purposive sampling. Purposive sampling is a sampling technique with specific aims and objectives. In this study, the type of data used is quantitative data. The general form of the regression equation model used in this study are**:**

$$ISR = b_0 + b_1 ROA + b_2 STA + b_3 DAR + e \quad .... (1)$$

$$ISR = b_0 + b_1 ROA + b_2 STA + b_3 DAR + bAKT + b_1(ROA*AKT) +$$

b_2(STA*AKT) + b_3(DAR*AKT) + e .... (2)

Information :

ISR = Islamic Social Reporting
b0 = Constant
b = coefficient of AKT
b1 = coefficient of ROA
b2 = coefficient of STA
b3 = Coefficient of DAR
ROA = Profitability
STA = Asset Utilization
DAR = Leverage
AKT = Accountability
e = Error normally distributed with mean 0, the purpose of calculation e assumed to be zero.

IV. RESEARCH RESULT

4.1 Descriptive Statistics

The results of descriptive statistics can be seen in Table 1 below:

Table 1
Descriptive Statistics

	ISR	ROA	STA	DAR	AKT	ROA*AKT	STA*AKT	DAR*AKT
Mean	0.644813	0.067762	0.874007	0.402016	0.681217	0.046672	0.049741	0.022385
Median	0.652174	0.054720	0.755224	0.397261	0.666667	0.035831	0.021244	0.007689
Maximum	0.826087	0.466601	3.712.544	1.106.351	1.000.000	0.388834	0.832562	0.579779
Minimum	0.195652	0.000281	0.011802	0.041537	0.333333	0.000204	0,0000097	0,0000021
Std. Dev.	0.094478	0.062917	0.709677	0.183114	0.137908	0.047707	0.088478	0.059157

Based on the above results in companies listed on the Indonesian Sharia Stock Index (ISSI) for the 2016-2018 period, the following descriptive statistical test results are obtained :

The Islamic Social Reporting (ISR) variable shows an average value of 0.644813 and a median value of 0 , 652174 and a maximum value of 0.826087. While the minimum value is 0.195652 and the standard deviation is 0.094478.

The profitability variable (ROA) shows an average value of 0.067762 and a median value of 0.054720 and a maximum value of 0.466601. While the minimum value is 0.000281 and the standard deviation is 0.062917.

Asset utilization variable (STA) shows an average value of 0.874007 and a median value of 0.755224 and a maximum value of 3.712544. While the minimum value is 0.011802 and the standard deviation is 0.709677.

The leverage variable (DAR) shows an average value of 0.402016 and a median value of 0.397261 and a maximum value of 1.106351. While the minimum value is 0.041537 and the standard deviation is 0.183114.

The variable effect of the accountability variable on profitability (ROA) shows an average value of 0.046672 and a median value of 0.035831 and a maximum value of 0.88834. While the minimum value is 0.000204 and a standard deviation of 0.047707.

The variable effect of the accountability variable shows an average value of 0.681217 and a median value of 0.666667 and a maximum value of 1. While the minimum value is 0.33333 and the standard deviation is 0.137908.

The variable effect of the variable Accountability on Asset Utilization (STA) shows an average value of 0.049741 and a median value of 0.021244 and a maximum value of 0.832562. Meanwhile, the minimum value is 0.0000097 and the standard deviation is 0.88478.

The variable effect of the Accountability variable on Leverage (DAR) shows an average value of 0.022385 and a median value of 0.007689 and a maximum value of 0.579779. While the minimum value is 0.0000021 and the standard deviation is 0.059157.

4.2 Classic Assumption Test

1. Normality Test

The results of the normality test can be seen in the following table :

Tabel 2
Normality Test

Jarque-Bera	5,721939
Probability	0,057213

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the results of the normality test in the table above, the Jarque-Bera value is smaller, namely 5.721939 than the ChiSquare (df) 2 value, namely 5.991, while the Probability value is 0.057213 which shows the number is greater than the value α = 0.05. With the results above, it can be concluded that the data is normally distributed.

2. Multicollinearity Test

The multicollinearity test results can be seen in the following table:

Table 3
Multicoleniarity Test

	ISR	ROA	STA	DAR	AKT	ROA*AKT	STA*AKT	DAR*AKT
ISR	0.008903	0.001080	0.004138	0.001061	0.006290	0.001192	0.002122	0.001311
ROA	0.001080	0.003948	0.012474	-0.000802	0.000511	0.002902	0.004438	0.002479
STA	0.004138	0.012474	0.502309	0.035761	-0.016770	0.008949	0.034185	0.018678
DAR	0.001061	-0.000802	0.035761	0.033442	-0.001400	-0.000317	0.002389	0.003633
AKT	0.006290	0.000511	-0.016770	-0.001400	0.018968	0.001578	0.002142	0.001401
ROA*AKT	0.001192	0.002902	0.008949	-0.000317	0.001578	0.002270	0.003607	0.002090
STA*AKT	0.002122	0.004438	0.034185	0.002389	0.002142	0.003607	0.007808	0.004806
DAR*AKT	0.001311	0.002479	0.018678	0.003633	0.001401	0.002090	0.004806	0.003490

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the table above, it can be seen that the correlation coefficient value of each independent variable indicates <0.80. So it can be concluded that there is no multicollinearity problem in this study.

3. Heteroscedasticity Test

The heteroscedasticity test results can be seen in the following table:

Table 4
Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.003989	0.007140	0.558636	0.5767
ISR	0.001615	0.010881	0.148393	0.8821
ROA	0.046464	0.068357	0.679720	0.4971
STA	0.020347	0.007609	1.674.141	0.5078
DAR	0.012306	0.018269	0.673615	0.5010
ROA_AKT	0.104053	0.102952	1.010.693	0.3128
STA_AKT	0.016817	0.012558	1.339.131	0.1814
DAR_AKT	0.031647	0.028649	1.104.633	0.2700

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the table above, the results of the heteroscedasticity test show that all variables show a probability value> α = 0.05 so that it can be concluded that H0 is accepted, which means there is no heteroscedasticity problem in this study.

4. Autocorrelation Test

The autocorrelation test results can be seen in the following table:

Table 5
Autocorrelation Test

F-statistic	1.153.031	Prob. F(2,373)	0.0724
Obs*R-squared	1.459.421	Prob. Chi-Square(2)	0.0617

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the table above, the results show that the Autocorrelation Test using the Breusch Godfrey LM Test shows that the value of Prob.Chi-Square (2) is greater than 0.05 (0.0617> 0.05), so it doesn't happen autocorrelation.

4.3 Panel Data Selection Analysis

1. Chow test

Table 6
Chow test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	103.333.657	-125,246	0.0000
Cross-section Chi-square	1.504.368.692	125	0.0000

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the table above, it shows that the Chi-Square cross-section value is 1.504,368,692 which is greater than the Chi-Square table value with α = 0.05 and df = 125 of 1,504,368,692 (1,504,368,692> 152.0939) and the value of the Chi-Square Crosssection probability (0.0000) <α (0.05) so it can be concluded that H0 is rejected. This means that the model used in this study is the Fixed Effect model.

2. The Hausman Test

Table 7
Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	27.450.365	6	0.0001

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the table above, the value of the random cross-section (Chi-Square Statistic) is 27.450365 which is greater than the value of the Chi-Square table with α = 0.05 and df = 6 of 12.59159 (27.450365> 12.59159), and the probability value of random cross-section (0.0001) <α (0.05), so it can be concluded that H1 is rejected. This means that the most appropriate model to use in the panel model is the Fixed Effect model.

3. Regression Equation Model

Table 8
Fixed Effect Model Test (FEM Final)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.644895	3.086765	2.095601	0.0000
ROA	0.000112	5.935905	1.880019	0.0613
STA	0.000124	4.420305	2.808196	0.0054
DAR	0.000255	9.463605	2.694795	0.0075
AKT	0.000189	9.430976	2.768943	0.0065
ROA_AKT	-0.000136	9.681205	-1.404045	0.1616
STA_AKT	0.058705	4.920905	2.024824	0.0440
DAR_AKT	0.000535	0.000197	2.715904	0.0071
Effects Specification				
Cross-section fixed (dummy variables)				
Weighted Statistics				

R-squared	0.999999	Mean dependent var	17.89386
Adjusted R-squared	0.999999	S.D. dependent var	25.22646
S.E. of regression	0.003652	Sum squared resid	0.003281
F-statistic	2051821.	Durbin-Watson stat	1.733841
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.984180	Mean dependent var	0.644813
Sum squared resid	0.053236	Durbin-Watson stat	1.604563

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the regression results with Fixed Effect Final (FEM Final), it shows that there is a constant value of 0.644895 with a probability of 0.0000. The regression equation at the very high / low Adjusted R2 value of 0.999999 explains that the Islamic Social Reporting (ISR) variable is influenced by Profitability (ROA), Asset Utilization (STA), Leverage (DAR) of 99.9999% and the rest is 0, 0001% is influenced by other factors that are not examined in this study so that the assumption using the Fixed Effect model is realistic in determining the effect of Profitability (ROA), Asset Utilization (STA), Leverage (DAR) on the disclosure of Islamic Social Reporting (ISR).

4.4 Panel Data Regression Analysis

Table 9
Results of Panel Data Regression Analysis and t test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.644895	3.086765	2.095601	0.0000
ROA	0.000112	5.935905	1.880019	0.0613
STA	0.000124	4.420305	2.808196	0.0054
DAR	0.000255	9.463605	2.694795	0.0075
AKT	0.000189	9.430976	2.768943	0.0065
ROA_AKT	-0.000136	9.681205	-1.404045	0.1616
STA_AKT	0.058705	4.920905	2.024824	0.0440
DAR_AKT	-0.000535	0.000197	2.715904	0.0071

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the results of the panel data regression analysis above, the panel data regression equation can be formulated as follows:

ISR = 0,644895 + 0,000112 (ROA) - 0,000124 (STA) + 0,000255 (DAR) + 0,000189 (AKT) – 0,000136 (ROA*AKT) + 0,058705 (STA*AKT) – 0,000535 (DAR*AKT) + e

Information :
ISR = Islamic Social Reporting
ROA = Profitability
STA = Asset Utilization

DAR = Leverage
AKT = Accountability
e = The error is normally distributed with a mean of 0, the calculation objective for e is assumed to be zero.

Based on the multiple linear regression equation above, it can be analyzed the effect of each independent variable on the dependent variable as follows:

1. A constant α of 0.644895 states that if the value of Profitability (ROA), Asset Utilization (STA) and Leverage (DAR) is zero, the amount of Islamic Social Reporting (ISR) is 0.644895.
2. The profitability regression coefficient value has a positive relationship of 0.000112 for Return on Assets, meaning that every 1 change in the value of Return on Assets, the amount of Islamic Social Reporting (ISR) will increase by 0.000112 units, other factors are considered constant.
3. The regression coefficient value of asset utilization has a negative relationship of 0.000124 for Sales to Assets, meaning that every 1 change in the value of Sales to Assets, the amount of Islamic Social Reporting (ISR) will decrease by 0.000124 units, other factors are considered constant.
4. The value of the Leverage regression coefficient has a positive relationship of 0.000255 for the Debt to Asset Ratio, meaning that every 1 change in the value of Debt to Asset Ratio, the amount of Islamic Social Reporting (ISR) will increase by 0.000255 units, other factors are considered constant.
5. The accountability regression coefficient value has a positive relationship of 0.000189 for accountability, meaning that every change of 1 in the Accountability value, the amount of Islamic Social Reporting (ISR) will increase by 0.000189 units, other factors are considered constant.
6. The regression coefficient value of ROA * AKT which is the interaction of Profitability (ROA) with Accountability has a negative relationship of 0.000136, so each increase in ROA * AKT will reduce Islamic Social Reporting (ISR) by 0.000136.
7. The regression coefficient value of STA * AKT, which is the interaction between the Use of Assets (STA) and Accountability, has a positive relationship of 0.058705, so each increase in STA * AKT will increase Islamic Social Reporting (ISR) by 0.058705.
8. The regression coefficient value of DAR * AKT which is the interaction between Leverage (DAR) and Accountability has a negative relationship of 0.000535, so each increase in DAR * AKT will reduce Islamic Social Reporting (ISR) by 0.000535.

4.5 Hypothesis Testing

Effect of profitability on the disclosure of Islamic Social Reporting (ISR)

Based on the results of the t test it can be seen from the partial significance test results. The results can be seen from the table that the results show that the probability value is greater than the significance level of (0.0613> 0.05). Then these results state that H1 is rejected, meaning that partially Profitability (ROA) has no effect on the disclosure of Islamic Social Reporting (ISR). So the hypothesis H1 is not proven. This shows that regardless of the level profit generated by a company has no effect on the level of ISR disclosure of each company.

Effect of asset utilization on Islamic Social Reporting disclosure (ISR)

Based on the results of the t test it can be seen from the partial significance test results. The results can be seen from the table that the results show that the probability value is smaller than the significance level of (0.0054 <0.05). Then these results state that H2 is accepted, meaning that the Utilization of Assets (STA) partially affects the disclosure of Islamic Social Reporting (ISR). Then the H2 hypothesis is proven. This shows that the level of asset utilization affects the level of ISR disclosure in the company.

Effect of leverage on disclosure of Islamic Social Reporting (ISR)

Based on the results of the t test it can be seen from the partial significance test results. The results can be seen from the table that the results show that the probability is smaller than the significance level of (0.0075 <0.05). Then these results state that H3 is accepted, meaning that leverage (X3) partially affects the Islamic Social Ratio (Y). Then the hypothesis H3 is proven. This shows that the level of leverage generated by the company will affect the level of ISR disclosure in the company. Where the explanation of the source of funds comes from debt, it will be better in ISR disclosure, because the company will explain where the debt is obtained and how the company manages the funds originating from the debt.

The effect of accountability as a moderating variable on the disclosure of Islamic Social Reporting (ISR)

In this study, the Moderated Regression Analysis (MRA) test was carried out to prove the accountability variable as a moderating variable that strengthens the independent variable against the dependent variable.

Table 10
Test Results of Moderated Regression Analysis (MRA)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.644895	3.086765	2.095601	0.0000
ROA	0.000112	5.935905	1.880019	0.0613
STA	0.000124	4.420305	2.808196	0.0054
DAR	0.000255	9.463605	2.694795	0.0075
AKT	0.000189	9.430976	2.768943	0.0065
ROA_AKT	-0.000136	9.681205	-1.404045	0.1616
STA_AKT	0.058705	4.920905	2.024824	0.0440
DAR_AKT	-0.000535	0.000197	2.715904	0.0071

(Source: Eviews 10 Panel Data Regression Output Results)

Accountability moderates the utilization of assets on ISR disclosure. Based on the table above, the probability value of 0.0440 is smaller than 0.05 with a t-statistic value of 2.024824. This means that accountability is able to moderate the relationship between the utilization of assets (STA) to the disclosure of Islamic Social Reporting (ISR) and strengthen the positive value of the coefficient. This explains that the increase in the level of asset utilization will result in an increase in the level of ISR disclosure, whereas if the asset utilization rate decreases, the ISR disclosure level will also decrease.

Accountability moderates leverage on ISR disclosure. Based on the table above, the probability value of 0.0071 is smaller than 0.05 with a t-statistic value of 2.715904. This means that accountability is able to moderate the relationship between leverage (DAR) on the disclosure of Islamic Social Reporting (ISR) but weakens the relationship between DAR and ISR because of the negative coefficient value. This explains that if the level of leverage increases, the level of ISR disclosure will decrease, while the level of leverage decreases, the level of ISR disclosure will increase.

4.6 Determinant Coefficient (R2)

Table 11
Determinant Coefficient Test

	Weighted		
R-squared	0.999999	Mean dependent var	1.789.386
Adjusted R-squared	0.999999	S.D. dependent var	2.522.646
S.E. of regression	0.003652	Sum squared resid	0.003281
F-statistic	2051821.	Durbin-Watson stat	1.733.841
Prob(F-statistic)	0.000000		

(Source: Eviews 10 Panel Data Regression Output Results)

Based on the table above, it states that the Adjusted R-squared value is 0.999999, meaning that the coefficient of determination in this study is 0.999999, this states that the independent variable is able to explain the dependent variable only at 99.9999% and the remaining 0.0001% is influenced by other independent variables not examined in this study.

V. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

Based on the results of statistical tests that have been carried out, it can be concluded that the research results are as follows:

1. Profitability has a significant effect on firm value. So that companies need to increase the level of profitability in order to increase company value. As for the steps that can be taken by transportation companies, companies need to increase sales by improving services in order to attract customer interest, especially for public transportation companies. And accompanied by savings in operating costs in order to obtain the maximum level of profitability.
2. Audit quality has a significant effect on firm value. Companies are expected to choose public accountants who have high independence and professionalism. So that quality audited financial reports are obtained and free of material misstatements that can increase the level of confidence of investors and users of the financial statements.
3. Earnings management has no significant effect on firm value. This is because transportation companies listed on the Indonesian stock exchange for 2015-2018 were not proven to have taken earnings management actions.
4. Profitability, audit quality and earnings management have a significant effect on firm value. The three of them have a direct impact on company value due to an increase in the level of investor confidence, which has an impact on company value.

5.2 Suggestions

Based on the above conclusions, the suggestions that can be given from the results of this study are as follows:

1. Transportation companies should keep trying to increase the ROA ratio, this is intended to increase the profitability of transportation companies, which is indicated by low operating expenses but can generate maximum net profit. Thus providing guarantees to investors to be willing to deposit and invest their funds.
2. Transportation companies are expected to choose a public accountant who is professional and trained in examining the company's annual financial statements. with the hope that the quality of the reports produced can increase investor confidence.
3. Investors evaluate the company's profitability for issuers to invest in with the hope of obtaining maximum returns.

5.3 Limitations of Research and Further Research Development

The following are some of the limitations that exist in this study, namely:

1. Not using the latest 2019 annual report due to the covid-19 factor that occurred in early 2020 which made several companies listed on the Indonesia Stock Exchange late to publish their annual reports. Where for further research is expected to be able to use the latest data as a research reference.
2. Enough data makes researchers take a lot of time in collecting the required data so that researchers can complete the results at the end of time.

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