HALO EFFECT: CORPORATE SOCIAL RESPONSIBILITY (CSR) AND THE ROLE OF STAKEHOLDERS (EMPLOYEES AND CUSTOMERS) ON FINANCIAL PERFORMANCE AND FIRM VALUE

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ABSTRACT

This study aims to empirically analyze the two main stakeholder groups, namely employees and customers in considering reviews of third-party CSR reports as their decision determinant values, and how their decisions can affect the performance and value of the company through the halo effect of CSR reports. The analysis technique uses Moderated Regression Analysis (MRA) with e-views 10. The samples used are companies listed on the Indonesia stock exchange (BEI) and Global Reporting Initiative (GRI). The results of the study show the impact of employee and customer stakeholder groups on the performance and value of the company influenced by third-party reviews of CSR reports. Also, the results of the study found halo effects tended to occur in groups of employee stakeholders.

Keywords: Corporate Social Responsibility, Halo effect, Financial Performance, Firm Value.

INTRODUCTION

The main objective of the company is to maximize the interests of stakeholders, namely investors and creditors (Berle, 1931) through improving financial performance and corporate value (Akisik and Gal, 2014). However, the changing perception of global business now makes it difficult for companies to survive if they do not pay attention to the preferences of various stakeholders. To be able to meet these objectives, the company must be able to balance all aspects desired by stakeholders, such as effective governance. Representation of company goals can be reflected in the profitability and value of the company (Akisik, 2017; Hossain et al., 2015). Both are measures where companies must be able to maximize the value of capital and maximize the use of assets owned (Lin et al., 2018; Servaes and Tamayo, 2013; Eccles et al., 2012).

There are two projections in company performance, such as superior performance and inferior performance (Choi and Wang, 2009). Great company performance is a company performance that shows a consistent level of results, while inferior performance shows inconsistent or bad company performance. Corporate performance is an increasingly important issue in today's business environment (Mozes et al., 2011; Zheng et al., 2014). Changes in the business environment that are increasingly dynamic and show uncertainty are reasons for companies to reorient the concept of financial performance towards the concept of sustainability (Windolph et al., (2014). This concept arises due to the broad increase of stakeholder attention to the company's business environment. An event that companies that do not fulfill the sustainability concept will produce poor financial performance (Gray, 2010).

Corporate social responsibility (CSR) is one of the strategies for achieving corporate sustainability. CSR is a manifestation of the company's commitment to carry out social and environmental initiatives (Mozes et al., 2011; Akisik, 2017). CSR has emerged as a critical issue over the past few decades; the underlying factor is not only stakeholder attention but an increasing consumer, corporate governance regulations and the company's long-term performance (Lin et al., 2009; Friedman, 1970). CSR issues are starting to become a concern of the business world, along with the unfolding of company actions that harm and even threaten the lives of society at large. An environmental activist Erin Brokovich tried to give an overview and resistance to treating the Pacific Gas and Electric (PG & E) company in California in 1993. The company took irresponsible actions by polluting the environment during its operations. Another case was when Nestle stopped a contract with Sinar Pulp and Paper at the insistence of Greenpeace claiming that Sinar Mas products originated from large-scale deforestation without any forest conservation efforts.

There are many studies on the relationship of CSR with financial performance. However, the results of inconsistencies in the impact of CSR on performance are still relatively common (Lockett et al., 2006). Research by Lin et al. (2018); Akisik, (2017); Michelon et al., (2013); Waworuntu et al., (2014); Yusof et al., (2013) stated that CSR has a positive effect on financial performance and firm value. While, the study of Hossain et al. (2015); Jamali et al. (2015); Chih et al., (2010) stated that CSR does not affect the value of the company, but it influences financial performance. Margolis and Wlash (2001) state that if it is used as an independent variable, CSR has a positive relationship with financial performance in fifty-three percent of the studies that have been reviewed, the rest show mixed results. Information on corporate CSR activities is one of the important aspects besides financial information (Chaudhri, 2014; Dhaliwal et al., 2014). In the perspective of corporate communication, disclosure of CSR is an important aspect of doing it (Benn and Bolton, 2011; Carroll and Shabana, 2010; Park and Brorson, 2005; Windolph et al., 2014).

Akisik and Gal (2014) founded that there was evidence even though CSR was still not included in the financial statement component, but had an impact on the measure of financial performance. Companies will reveal good things to survive in running their business (Clarkson et al., 2008). Also, disclosure of CSR information also has functional implications for the company, which is the legitimacy of stakeholders (Mozes et al., 2011), including government and society (Servaes and Tamayo, 2013). CSR activities in Indonesia are regulated in law number 40 of 2007 concerning limited liability companies, where limited liability standing in the Indonesian economy must carry out social responsibility activities, but related disclosure is still voluntary (Luthfia, 2012).

By stakeholder theory states that the relationship between CSR and financial performance is inseparable from the presence of stakeholder support (Maignant, 2005). Stakeholders stated that companies that implement operational efficiency will provide positive and broad signals to them. Furthermore, the impact of CSR information on financial performance is also caused by the formation of alliances by general stakeholders including shareholders, customers, employees, suppliers and the community (Murphy et al., 2005). Associations formed by stakeholders can affect financial performance and company value (Akisik and Gal, 2014).

Akisik (2017) stated that two stakeholder groups have a direct influence on the company's CSR activities, which will ultimately affect financial performance. The two stakeholder groups are customer groups and employee groups. With the disclosure of CSR, it is expected to be a relative value for both stakeholder groups in decision making. Decision making in favor of or not to the company will affect the performance and value of the company.

There is evidence that customers are willing to provide support for products and operations of companies that do CSR than companies that do not do CSR (Web et al., 2008; Biggar and Selame, 1992; Brown and Dacin, 1997). This support was made with an increase in interest in purchasing company products (Green and Peloza, 2011). Customers are also willing to buy with higher product prices and increased potential for other new customers who are aware of social, environmental, and survival of the company (Du, Bhattacharya and Sen, 2010; Fombrun, 1996).

Werther Jr. & Chandler, (2005) founded that Shell's company sales fell almost 70 percent after the company's decision to carry out irresponsible activities by disposing of oil waste in the Atlantic and a boycott by Greenpeace. On the other hand, The Body Shop achieved the company's positioning as indicated by an increase in sales after carrying out the "Forever Against Animal Testing" campaign, which was a social and environmental concern.

Other evidence suggests that employees and prospective employees prefer companies that are aware of CSR (Montgomery and Ramus, 2003) because the company will create a functional and stable work climate (Kinney, 2000). Employees will be more satisfied and willing to be given a small wage if the company does CSR. Employee satisfaction on CSR will affect the performance of employees to be more motivated in carrying out company operations by company goals (Bauman and Skitka, 2012; Gond, et al., 2010; Abowd, 1989). Instead, employees will be concerned if the company does not carry out CSR and chooses to improve its performance for the shareholders' wealth (Backhaus et al., 2002) and has implications for reducing employee performance. Chong (2009) states that DHL employees will feel motivated and satisfied with the company when responding to environmental disasters by setting aside costs for CSR assistance programs.

Some of the issues of corporate CSR described previously related to the PE & G, Sinar Mas, Shell, DHL, and The Body Shop cases show tthe increasingly dominant position of stakeholders. Stakeholders are not only shareholders and creditors, but other broad parties include customers, employees, suppliers, NGOs, communities, and the government. On the perspective of corporate communication, credible CSR reports will contribute more to creating social commitments, positive images, or halo effects reports (Chaudri, 2014). The GRI (Global reporting initiative) provides a survey of CSR reports; the review aims to add credibility to the company's CSR reports (GRI, 2017). Akisik and Gal (2014) study stated that third-party reviews of CSR reports have an significant impact on financial performance. This is because the information contained in the CSR report is seen as credible and relevant for stakeholder decision making.

Disclosure of CSR will also create a halo effect (Madden et al., 2012; Walker, 2016). The halo effect is the effect caused by CSR reports that are only symbolic. This halo effect will be felt by users of CSR reports such as employee and customer stakeholders who assess CSR reports too early without any evidence of the relevance of information with activities. CSR reports should contain substantive aspects that show the company's commitment to social and environment (Hong and Anderson, 2015). The halo effect in CSR reports can be overcome by increasing the credibility of the report. A credible report will signal relevant information between CSR activities and information that is substantively by social and environmental commitments. One way to increase the credibility of CSR reports is to use third-party reviews (Cohen and Simnett, 2015; Habek and Wolniak, 2016).

Based on the explanation above, states that there is continuity between two groups of stakeholders who support the existence of CSR activities. Referring to the Akisik (2017) study, researchers used the role of two stakeholder groups as moderating variables. This study uses a sample of company research in Indonesia and reviews more deeply about the possible halo effects that occur.

In addition to contributing to adding insight into the relationship between CSR disclosure and financial performance, and the role of stakeholders, researchers also fill the limitations of Akisik (2017) regarding empirical evidence in other countries. Researchers believe that CSR research conducted in developed countries is not suitable to be generalized in developing countries, especially in the concern of stakeholders in Indonesia to support CSR, it is based on the needs and expectations of stakeholders different from one country to another (Habek and Wolniak, 2015). Also, the policies of one country with other countries are differently related to CSR activities, considering that in Indonesia CSR disclosure is also still voluntary.

Researchers use CSR reports that have been reviewed by third parties as a measure of CSR disclosure, so this study examines how disclosure of CSR has an effect on company performance moderated by the role of stakeholders (employees and customers). These results will be a reference related to the presence or absence of halo effects that occur to stakeholders. The benefits of this research are to encourage existing business organizations, that there are groups of stakeholders who support companies to pursue the objectives of social responsibility in addition to their financial goals (Fombrun, 1996; Servaes and Tamayo, 2013). This research uses financial data of companies in Indonesia that are listed on the Indonesia Stock Exchange (IDX) in 2014-2017 and qualitative reviews of CSR data on the GRI website or the website of each company that uses the GRI guidelines.

LITERATURE REVIEW

Legitimacy Theory and stakeholder theory

Legitimacy theory provides a strategic reference for companies to build and maintain the legitimacy of the company (Suchman, 1995). Corporate social responsibility (CSR) is one of the strategies that must be carried out by the company in maintaining the loyalty of the company (Kumar and Das, 2007). CSR, in the view of legitimacy theory, is a strategy that is in line in maintaining the social values and norms that exist between stakeholders and companies (Garay and Font, 2012). Legitimacy theory views CSR as an effort and strategy to get acceptance from relationships with stakeholders (Kaplan and Ruland, 1991). Stakeholder theory sees CSR as a consequence of corporate nexus a contract with stakeholders (Freeman et al., 2010). Companies in conducting business activities are required to maintain communication and relationships with their stakeholders (Benn and Bolton, 2011). Good relations with stakeholders will create stable conditions in their business operations (Park et al., 2014; Caroll and Sabana, 2010). Both of these theories are the basis of research conducted by researchers, by linking CSR, financial performance, corporate value, and interaction with key stakeholders.

Financial Performance and Corporate Value

Company performance is one indicator of management's success in managing the company (Gray, 2010; Akisik and Gal, 2014). Other performance projections are firm value, which is market value reflected in stock prices, where companies that have high stock prices will reflect the value of the company to be high as well (Servaes and Tamayo, 2013; Eccles et al., 2012). Both projections are representations of the company's main goals. To achieve this company must be able to balance economic, social, and environmental aspects (sustainability development) through CSR activities (Akisik, 2017; Mozes et al., (2011). The condition of the company is divided into two, such as excellent conditions and inferior conditions. Excellent conditions are conditions when a company can show the strength of competition in business; it is characterized by a performance that shows persistent numbers (Porter, 1990; Freeman et al., 2010) while inferior conditions are conditions when companies lose strategic steps in conducting business innovation (Choi and Wang, 2009). These conditions must be immediately restored by regaining the excellent reputation of the company which aims to gain sympathy from stakeholders (Chaudri, 2014; Robert and Dowling, 2002) CSR is a strategic step for companies to obtain and maintain stakeholder support, especially key stakeholders, employees, and customers.

Halo Effect: Corporate Social Responsibility (CSR)

CSR is an initiative carried out by the company in balancing the three dimensions of business activities namely economic, social and environmental (Habek and Wolniak, 2015; Akisik, 2017; Mozes et al., 2011). One mechanism for communicating CSR activities to stakeholders is by conducting disclosure activities (Windolph et al., 2014; Benn and Bolton, 2011; Carroll and Shabana, 2010; Park and Brorson, 2005). CSR reporting using reviews is the most influential reporting practice related to evaluating its credibility. CSR reports that have been reviewed and more value in the relevance of information for stakeholder decision making. Third party reviews of CSR reports are carried out by an independent party that is not affiliated with the company so that the results of the analysis by the actual situation. The independent party is the party chosen by the global reporting initiative (GRI) that is competent in the CSR field. Credible CSR will create social commitment, positive image or halo effect in the eyes of stakeholders (Chaudhri, 2014), CSR disclosure will also cause an impact, namely the halo effect (Madden et al., 2012; Walker, 2016). The halo effect is the effect caused by CSR reports that are only symbolic. This halo effect will be felt by users of CSR reports such as employee and customer stakeholders who assess CSR reports too early and generalize all company conditions without any evidence of the relevance of information to activities. CSR reports should contain substantive elements that show the company's commitment to social and environment (Hong and Andersen, 2011).

Stakeholder Roles: Customers and Employees

Stakeholders are parties that are in the business environment of the company, both those that have a direct or indirect role to play a role (Campbell, 1997; Freeman et al., 2010). Maignan (2005) founded that there were stakeholder groups that had more attention in looking at social responsibility activities and had a direct influence on the operationalization of the company's business, namely the employee and customer stakeholder groups. Customers are willing to provide support for the company's products and operations that carry out social responsibility compared to companies that do not carry out social responsibility (Web et al., 2008; Bigger and Selame, 1992; Brown and Dacin, 1997). Employees and prospective employees choose companies that are aware of their social responsibilities (Montgomery and Ramus, 2003) because the company will create a functional and stable work climate (Kinney, 2000; Bauman and Skitka, 2012; Backhaus et al., 2002).

METHODOLOGY

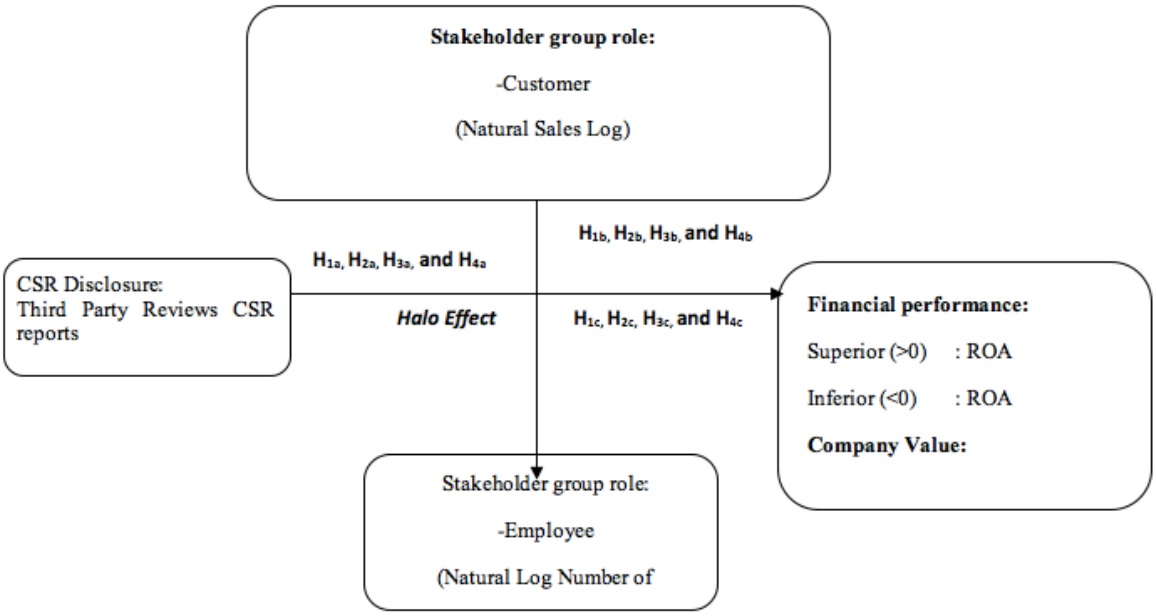
Samples and Data

The population in this study were all companies listed on the Stock Exchange in 2014-2017. This selection was based on the lack of CSR disclosures based on the global reporting initiative (GRI) guidelines for companies in Indonesia. The sampling method uses purposive sampling with several criteria as follows (Sekaran and Bougie, 2013; 252):

Table 1. Research Samples

No	Sample Criteria	Total
1	Companies listed on the IDX	556
2	Companies that do not have complete data related to CSR (Global reporting initiative), financial performance, company value, and the role of stakeholders (sales and employees)	(501)
	Total sample is used	55
	Total observations for 4 years	220

The type of data used is secondary data in the form an annual report from the IDX website (www.idx.co.id) and sustainability report sourced from the GRI website (www.globalreportinginitiaitve.com).



Picture 1. Research Model

Measurement

The dependent variable in this study is financial performance and company value. Financial performance is measured using ROA, namely total profit / total assets (Ecless et al., 2012) and company value using Tobin Q namely {Close pricing x Number of shares) + liabilities + Inventory)} - Current Asset / Total Asset (Servaes and Tamayo 2013). Following previous researches Choi and Wang (2009) and Akisik (2017) this study was divided into two subsamples, such as companies in the inferior (> 0) and superior positions (<0).

The independent variable in this study is a third party review, namely dummy variable one if the CSR report uses reviews and 0 if it does not use reviews. The moderating variable uses the role of employee stakeholders, such as the total natural log of employees and customer stakeholders, then the natural log of total sales. Control variables use debt ratio (total debt / total assets), current ratio (current assets / current debt), efficiency (cost of goods sold / sales) and intensity (total assets / total employees) (Akisik, 2017; Maignant, 2005; Who and Fang, 2016).

Regression Model
This study uses moderated regression analysis (MRA) and classic assumption tests as model fixation. The tool used is e-views 10 with the fulfillment of the best model requirements for panel data. In testing hypotheses, this study uses an autoregressive model (Akisik, 2017; Choi and Wang; 2009). The regression equation (econometrics) used is divided into four models as follows:

Model 1: (Superior)
ROA = b_1 X + b_2 Z1 + b_3 X*Z1 + b_4 Z2 + b_5 X*Z2 + b_6 DAR + b_7 CR + b_8 EFF + b_9 CIT + e
Model 2 : (Inferior)
ROA = b_1 X + b_2 Z1 + b_3 X*Z1 + b_4 Z2 + b_5 X*Z2 + b_6 DAR + b_7 CR + b_8 EFF + b_9 CIT + e
Model 3 : (Superior)
Tobins Q = b_1 X + b_2 Z1 + b_3 X*Z1 + b_4 Z2 + b_5 X*Z2 + b_6 DAR + b_7 CR + b_8 EFF + b_9 CIT + e
Model 4 : (Inferior)
Tobins Q =b_1 X + b_2 Z1 + b_3 X*Z1 + b_4 Z2 + b_5 X*Z2 + b_6 DAR +b_7 CR + b_8 EFF + b_9 CIT + e

Noted:
Y : Financial performance (ROA) & company value (Tobin Q)
X : Assurance
Z1 : Sales
Z2 : Employee
DAR : debt ratio
CR : Current ratio
EFF : Efficiency
CIT : Citensity
e : error

RESULTS AND DISCUSSION

Descriptive statistics

In this study presents a descriptive analysis in the form of max, min, average, and standard deviation values. Table 2 shows the data characteristics of all research variables. ROA shows an average of 0.039 (superior) and -0.032 (inferior) with a standard deviation of 0.019 and 0.023. The company's ROA (superior) still shows a high value because it is above 3% on average. Inferior ROA also shows a value that is not too high risk for the company even though it is in an inferior position. Tobinq shows an average of 1,198 (superior) and 0.983 (inferior) with a standard deviation of 0.790 and 0.412. The average Tobin value Q above 1 indicates that the value of the company in the phase/level is good for its investment activities. CSR shows an average of 0.309 with a standard deviation of 0.463. Even though it was below 0.5, due to the voluntary reviews, the company still had a high awareness in conducting reviews. Employees have an average of 8,433 with a standard deviation of 1,108, which shows that the number of employees is still high and consistent with a low turnover rate. Sales have an average of 30.113 with a standard deviation of 1.336, which shows an increase in the sales value, every year with a constant increase in value. While the control variables are CIT, CR, DAR, EFF, which each have an average of 22,331; 132,904; 3,551; 0.732 and standard deviation 1.755; 73,054; 12,905; 0,199. The overall value of the control variable is still said to be good for each interpretation of the ratio results.

Table 2. Descriptive Statistics Results

Variables		M	SD	Min	Max
CSR (*Assurance*)		0.309	0.463	0	1
ROA	Inferior	-0.032	0.023	-0.097	-0.001
	Superior	0.039	0.019	0.006	0.098
Tobins Q	Inferior	0.983	0.412	0.057	1.908
	Superior	1.198	0.790	0.005	4.425
LOG (Employee)		8.433	1.108	6.886	12.326
LOG (Sales)		30.113	1.336	26.173	33.987
CIT		22.331	1.755	12.862	26.757
CR		132.904	73.054	9.860	493.000

DAR	3.551	12.905	0.104	72.600
EFF	0.732	0.199	0.103	1.091

Before conducting a regression analysis, the researcher conducted a classic assumption test, such as multicollinearity and heteroscedasticity test. In table 3, a multicollinearity test is presented with VIF values below ten which indicates that the variables in the study are free from multicollinearity problems.

Table 3. Multicollinearity Test Results

Variables	**Coefficient Variance (Superior)**	**Coefficient Variance (Inferior)**
X_ASURANCE	1.294104	1.270519
Z_SALES	2.354599	1.422373
Z_EMPLOYEE	2.473379	1.466769
C_DAR	1.077138	2.199158
C_CR	1.282226	1.791482
C_EFF	1.248743	1.636044
C_CIT	1.381847	2.239243

Table 4 shows the results of heteroscedasticity assumptions with the White test on the panel regression model obtained by the value of Chi-Chi (Obs*R-squared) more than 0.05, so there were no problems with heteroscedasticity.

Table 4. Heteroscedasticity Test Results

Variables	**Obs*R-squared**	**Prob. Chi-Square(34)**
(Superior) ROA	80.27656	0.3468
Tobin Q	70.88341	0.1896
(Inferior) ROA	41.60402	0.1734
Tobin Q	36.65181	0.9530

Regression Results

Regression analysis in this study used moderated regression analysis (MRA) using panel data. Table 5 shows the regression results of the ROA and Tobinq dependent variables are including independent CSR variables and their interactions with employees and sales. The R-square in this study shows a value of 15.70% (ROA) and 32.3% (Tobinq) in the superior subsample, while for the sub-sample inferior it shows a value of 67.2% (ROA) and 46.8% (Tobin q). To facilitate the schema discussion in each regression result (see figure 1), this study is divided into 12 hypotheses which are grouped into 4 parts, namely the H1 hypothesis (sub; a, b, c) in the superior position (ROA), H2 (sub; a, b, c) in the superior position (tobinq), H3 (sub; a, b, c) in the inferior position (ROA) and H4 (sub; a, b, c) in the inferior position (tobinq). The sub-hypothesis "a" shows influence (CSR), the sub-hypothesis "b" shows the interaction of CSR with sales (CSR * sales) and the hypothesis "c" shows the interaction of CSR with employees (CSR * employee).

Table 5. Regression Results

Independent Variable	ROA		Tobins Q	
	Superior	Inferior	Superior	Inferior
CSR (Ulasan) (X)	0.011*** (0.001)	-0.050*** (0.000)	0.583*** (0.000)	-0.470*** (0.001)
Sales (Z1)	0.001 (0.415)	0.014*** (0.001)	0.182*** (0.000)	-0.184*** (0.000)
CSR**Sales* (X*Z1)	0.005** (0.049)	0.044** (0.048)	0.231** (0.012)	0.685 (0.848)
Employee (Z2)	0.002 (0.341)	-0.003 (0.281)	0.115 (0.157)	-0.121* (0.069)
CSR**Employee* (X*Z2)	-0.001 (0.696)	-0.018** (0.043)	0.064 (0.565)	0.211 (0.320)
DAR	-8.35×10^{-5} (0.392)	0.021** (0.026)	-0.001 (0.705)	0.371* (0.071)
CR	-4.45×10^{-5} ** (0.039)	9.98×10^{-5} ** (0.022)	0.001 (0.183)	-0.001 (0.132)
EFF	0.0004 (0.967)	-0.005 (0.627)	-0.564* (0.082)	0.036 (0.874)
CIT	-0.002 (0.117)	-0.001 (0.540)	-0.121** (0.015)	-0.013 (0.594)
R-square	20.3%	72.5%	36.0%	55.3%
Adjusted R-square	15.70%	67.2%	32.3%	46.8%

Noted: *** p < 0.01, ** p < 0.05, * p < 0.1

The results show that third-party reviews (CSR) have a positive effect on the company's financial performance (ROA) in the superior position, and negatively affect the inferior position so that the hypotheses H1a and H3a are accepted. It was shown with a positive coefficient of 0.11 with a significance value of 0.001 (superior) and a negative coefficient of -0.050 with a significant value of 0,000 (inferior). In line with the research of Waworuntu, et al., (2014); Hossain, et al., (2015); Akisik and Gal (2014) which states that CSR is a decisive value for stakeholders to support companies in improving their financial performance both in superior and inferior conditions. When the situation is inferior, the company needs an increase in reputation to help restore its bad condition (Choi and Wang, 2009; Robert and Dowling, 2002; Chaudry, 2014). In the perspective of corporate communication, CSR is an important mechanism for improving a company's reputation and reducing stakeholder skepticism (Du et al., 2010). This result is by the legitimacy theory. Likewise, in excellent conditions, CSR is a strategic step for the company to maintain its position by increasing the legitimacy of stakeholders (Freema et al., 2010; Porter, 1990).

In an inferior state, CSR can give a negative influence on firm value (Tobinq) indicated by a negative coefficient of -0.470 with a significance of 0.001 so that the hypothesis H4a is accepted. In line with the inferior, the superior state of CSR can provide a positive influence on the value of the company indicated by a coefficient of 0.583 with a significance value of 0,000 so that the hypothesis H2a is accepted. This result supports Lin et al. (2018); Wang, (2017) which stated that credible CSR will provide a positive signal for stakeholders including investors regarding the company's steps to realize sustainability development. Investors believe that companies have good prospects in the future, so investors are willing to invest their funds (Hossain, et al., 2015; Garay et al., 2012). When, companies are in an inferior position, CSR is a relevant value for investors in showing the company's commitment to recover and develop (Freeman et al., 2010; Choi and Wang, 2009). Investors believe that the company still can improve its financial prospects in the future, although it is hazardous (Jamali et al., 2015).

Customer stakeholders (CSR * sales) are proven to strengthen the influence of CSR on financial performance (ROA) and company value in a superior position. Positive coefficient value is 0.005 with a significance of 0.049 (ROA) and a coefficient of 0.231 with a significance value of 0.012 (tobinq) so that the hypotheses H1b and H2b are accepted. This research is in line with Akisik, (2017); Servaes and Tamayo, (2013) which stated that customer stakeholders have a substantial role in supporting corporate CSR. The support is in the form of purchase intentions, purchases at high prices, and willing to promote company products to other customers (Smith & Bower 2012; Brown & Dacin, 1997; Coors & Winegarden, 2005; Dhaliwal, et al., 2012). Customers also believe that companies are carry out CSR have higher quality products, because they prioritize efficiency and sustainability practices in their product options (Dhaliwal et al., 2012). Customer support will increase sales and production activities of the company which will ultimately improve financial performance (ROA). Other stakeholders such as investors will show interest in the company when the CSR mechanism is in line with customer stakeholders. Investors believe that when key stakeholders, namely customers, support the company, the company's prospects will increase (tobinq) (Elliot et al., 2015).

Unlike the superior position, in the inferior position of the stakeholder, a customer is unable to strengthen the influence of CSR on the company's financial performance (ROA) and company value (tobinq). Positive coefficient values are 0.044 (ROA), 0.685 (tobinq), significance are 0.048, and 0.848. So, H3b and H4b are rejected. This result is contrary to Viachos et al., (2009); Madden, et al., (2012); Akisik, (2017) which states that when in an inferior state, customer stakeholders will support the company to recover. This result is not in line with stakeholder theory which states that CSR is a mechanism that aims to maintain relationships and seek stakeholder support with the company (Freeman et al., 2010; Benn and Bolton, 2011).

The results of the study are in line with the research of Chih et al., (2009); Choi and Wang (2009). The rejection of this hypothesis makes it possible, from several research data to show that the value of sales in companies tends to decrease consistently so that it cannot strengthen the influence of CSR. Because, when the company is in an inferior state, the company will reduce the production intensity until the quality of the product decreases to reduce costs so that it will have implications for the interest in purchasing customers. Another reason, customer stakeholders tend to ignore the company's social commitments and look more at the quality of the company's products. Stakeholders feel that product needs and satisfaction for their personalities are more important than broad social needs. A decrease in the value of sales and profit (ROA) will also reduce the relationship between CSR and company value (tobinq). Downward sales provide an unfavorable signal for investors regarding the prospect of a return on investment. It will have an impact on the decline in share value.

The role of other stakeholders is employees. In the inferior position of the employee, stakeholder is proven to strengthen the influence of CSR on financial performance (ROA). The negative coefficient value is -0.018, with a significance of 0.043, which means that the H3c hypothesis is accepted. This result is in line with the Akisik research, (2017); Choi and Wang, (2009) which stated that when in an inferior position a third-party review of CSR becomes an important value for the decisions of stakeholder employees in supporting the company. Employees will be more motivated and committed to work for companies that do CSR so that it will affect productivity and financial performance (Gond et al., (2010). Companies that have good CSR records are proven to have high prestige levels in the eyes of employees and prospective employees (Beckhaus et al., (2002). CSR carried out by companies is also proven to be a stimulus for potential employees to offer a higher commitment to improve their inferior performance (Viachos et al., (2009).

When a company is in another inferior position, employee stakeholders cannot strengthen the influence of CSR on company value (tobinq). The coefficient value is 0.211 with a significance of 0.320, so the hypothesis H4c is rejected. These results also occur in a superior position; employee stakeholders are not able to be a strong effect between CSR on financial performance and company value. The coefficient values in each relationship are -0.001 and 0.064, with a significance of 0.696 (ROA) and 0.565 (tobinq). Rejection of the hypothesis makes it possible because the data on the number of employees is decreasing due to various processes of different company needs. The results of this study contradict Walker, (2016); Galbreath, (2010); Gond et al., (2010) which stated that employees as internal stakeholders will support companies that carry out CSR. Employees believe that when conducting CSR, the company demonstrates business commitment sustainably, so its welfare and employee position will be guaranteed.

The results of this study are in line with Akisik (2017) research when in an inferior position, companies tend to lose strategic steps and minimal innovation so that it will reduce business productivity. The decrease implies a decrease in salary/wages so that work motivation will decrease, up to a high employee turnover rate. Another factor is that employees will feel threatened and at risk when the company issues high CSR costs while the company is still in a state of decline. In line with the inferior position, in the superior position, CSR does not become a relevant value for employee stakeholders in supporting the company. Employees prefer to pay attention to the position and personal benefits of each. When, in a superior position, employees feel that their welfare is guaranteed by the company that including their salary and position, so it work motivation will be stagnant. The absence of support from employees will affect the decline in financial performance (ROA), and company value (tobinq) because investors who consider the company's prospects are less guaranteed.

In the end, this result becomes a reference for whether or not there are halo effects on CSR reports that occur in the main stakeholders, namely employees and customers. The halo effect is the effect felt by stakeholders when looking at the company's initial CSR appearance. Stakeholders will assess the good impression at the beginning, but have not considered the relevance factor of actual CSR. The halo effect arises when CSR is not a relevant value for stakeholders because it is only symbolic (Madden et al., 2012; Walker, 2016). The halo effect can be overcome by credible CSR reports, namely with third-party reviews (Akisik and Gal 2014; Michelon, 2013). From these results, the halo effect is more intense concerning employee stakeholders. Allows alliances formed by stakeholders to broadly find irrelevance between CSR activities and disclosures that show social and environmental commitments (Akisik, 2017; Habek and Wolniak, 2016; Maignant, 2005). Another possibility is that employee stakeholders who are part of internal stakeholders are aware of the company of the real motive on CSR even though at the beginning the employee assumed that the company made a good step by using third-party reviews. The halo effect is an essential factor that must be considered in CSR schemes with the performance and value of the company. When corporate CSR does not show genuine social and environmental (symbolic) commitment, this effect is likely to occur.

CONCLUSION

Financial performance and company value are important factors in representing the company's goals to stakeholders widely. Today's business rhetoric directs the company to sustainable business. Social and environmental goals are important factors to synergize with economic goals to create a business balance. The main stakeholders are employees and customers who are the ones who determine the survival of the company, especially to achieve economic, environmental, and social goals. Third party reviews of CSR reports are a stimulus for the company to create a balance between the company and stakeholders. In line with the theory used (stakeholder and legitimacy), CSR becomes a relevant value for employee and customer stakeholders in supporting the company. Deeper, this study found a strong effect of customer stakeholders on improving financial performance and company value influenced by third-party CSR reviews. Customers give more appreciation in the form of support to companies that carry out social and environmental commitments. Customer support in the form of purchase intentions and good stigma towards the company's products.

In the final section, this study found a halo effect that occurs in employee stakeholders. Employees are internal stakeholders who cannot be separated from the dynamics of company activities, including CSR. This research contributes to literature related to the relationship of CSR with the performance and value of the company supported by key stakeholders. For companies, this research is a reference for companies to be more intense in carrying out CSR commitments, so they are not symbolically done because it will create a halo effect.

This research is limited by the lack of companies in Indonesia that use the GRI guidelines. Companies in Indonesia are also not obliged to review third parties on their CSR activities so that they will narrow down the research sample. Future research is expected to expand the research analysis in line with the number of companies that use the same guidelines regarding the information on CSR activities.

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