The Influence of Corporate Social Responsibility (CSR) Disclosure and Political Connections on Firm Value

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Abstract

The objective of this study is to examine and evaluate the impact of corporate social responsibility (CSR) disclosure and political connections on firm value. This study employs a quantitative approach. The sample for this study was obtained using the purposive sampling method. A total of 28 companies in the LQ 45 category, listed on the Indonesia Stock Exchange (IDX), were selected for analysis over the 2020-2022 period (84 observations). The data utilized in this study are secondary in nature. The analysis method employed is panel data regression analysis, facilitated by the EViews 12 application. The results of this study indicate that the variable of Corporate Social Responsibility (CSR) Disclosure has a positive and significant effect on the company's value, with a probability value of 0.0037. The influence of political connections on the firm value was not statistically significant (p-value = 0.4593). However, the simultaneous effect of corporate social responsibility (CSR) disclosure and political connections on the firm value was found to be positive and statistically significant (p-value = 0.010997).

Keywords
Corporate Social Responsibility Disclosure, Political Connections, Firm Value

1. Introduction
The fast-growing business world will increase social responsibility and environmental impact. Companies can provide information to investors before investing, making them aware of the current situation and potential future risks. The value of the company is a measure of its success in increasing shareholder confidence and ensuring shareholder welfare, and a high value will increase investor confidence. Investors and borrowers value companies that offer positive returns and facilitate payment, making it crucial for creditors to maintain a strong relationship with these companies.

In Indonesia, the mining sector represents a significant component of the national economy, serving as a primary source of revenue for the state and a key driver of investment. From 2020 to 2022, the mining sector's composite stock price index demonstrated notable fluctuations, exhibiting both substantial growth and decline.

In accordance with Article 1, paragraph 3 of the Undang – Undang Perseroan Terbatas, corporate social responsibility (CSR) can be defined as a company's commitment to enhance the quality of life and the environment for itself, the local community, and society in general. In accordance with Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies, companies engaged in activities related to natural resources are required to demonstrate the appropriateness and reasonableness of their CSR practices. The implementation of Corporate Social Responsibility (CSR) has not been as effective as it could be. CSR is frequently merely rhetoric without concrete guidance. The primary challenge is the ambiguous obligation to engage in CSR and the absence of tangible benefits for stakeholders. Companies often perceive CSR as a mere public relations exercise, lacking meaningful impact. It is hoped that the implementation of CSR can be more transparent and provide tangible benefits for all relevant parties.

The Corporate Social Responsibility (CSR) programmed has become a source of contention between the Ministry of Law and Human Rights and the Ministry of Industry. The Ministry of Law and Human Rights is advocating for the mandatory implementation of CSR for all companies, whereas the Ministry of Industry is in favor of allowing companies the autonomy to pursue CSR initiatives. The significance of disclosing the operationalization of CSR

programmers by companies lies in the capacity to assess the extent of social responsibility and the favorable impact on investor conduct and corporate reputation. Furthermore, CSR can serve as a means of mitigating long-term risks. The measurement of Corporate Social Responsibility (CSR) disclosure using the Global Reporting Initiative (GRI) G4 standard for manufacturing companies listed on the Indonesia Stock Exchange reveals a significant positive correlation between CSR and firm value. The study was conducted on 45 companies over three research periods from 2016 to 2019. Research by Silviana & Krisnawati (2020) indicates that corporate social responsibility (CSR) has a negative effect on firm value. An increase in CSR results in a decrease in firm value, while a decrease in CSR leads to an increase in firm value. This finding aligns with the predictions of Modigliani and Miller's theory. High CSR disclosure can lead to a reduction in company profits and investor interest.

The presence of political connections can facilitate the attraction of investors and enhance the value of a company. Political connections are regarded as a valuable resource, which can be leveraged to achieve corporate objectives. Significant effort is invested in the establishment of political connections. The phenomenon of politically connected companies is prevalent in countries where corruption is pervasive and regulatory frameworks are inadequate. In Indonesia, corruption remains a pervasive issue, particularly in the areas of bribery, procurement of goods and services, and other forms of corruption. Surveys conducted by the KPK have revealed that a significant proportion of individuals engage in various forms of corrupt practices, including the use of brokers, the acceptance of gratuities, the misappropriation of budgets, and the solicitation and acceptance of bribes in bridge auctions. Indonesia's ranking on the 2019 Corruption Perceptions Index (CPI) was 86 out of 180 countries, with a score of 40, which represents an improvement compared to other countries.

In a study published in 2018, Meilinda Murnita and Dwiana Putra asserted that corporate social responsibility (CSR) has a beneficial impact on a company's value and profitability, thereby enhancing the influence of CSR on a firm's value. An increase in CSR disclosure will result in an increase in firm value, which will be perceived by stakeholders as an increase in firm value reflected in profits and stock prices. It can be reasonably assumed that companies which provide high benefits will tend to make more extensive CSR disclosures in order to build firm value. Such practices will encourage investors to utilize environmentally friendly resources. In contrast to the aforementioned findings, Afifah et al. (2021) posit that CSR disclosure may exert a detrimental influence on firm value, whereas corporate reputation can exert a beneficial one. Maulana and Wati (2019) found that political connections have a positive impact on firm value, a conclusion that was also reached by Pratiwi and Aligarh (2021). However, Tangke's research (2019) yielded a different result, concluding that political connections have no effect on firm value. The study involved 87 data points on manufacturing companies listed on the IDX between 2012 and 2016.

1.1 Objectives

The objective of this study is to examine the relationship between Corporate Social Responsibility (CSR) Disclosure (X1) and Political Connection (X2) as independent variables and Firm value (Y) as the dependent variable. The data is obtained from the financial statements of LQ45 companies listed on the Indonesia Stock Exchange (IDX) for the period of March 2019.

2. Literature Review

2.1 Corporate Social Responsibility

Wineberg (2004:72) defines corporate social responsibility as the contribution that a company makes in society through its core business activities, its social investment and philanthropy programmers, and its engagement in public policy. The term 'Corporate Social Responsibility' (CSR) is also used to refer to the 'Triple Bottom Line'. This is a method of reporting that provides information about a company's economic, environmental, and social performance. If applied correctly, it can demonstrate how well a business is performing, or how well society is doing. The concept of the 'Triple Bottom Line' suggests that companies should consider the 3P, including;
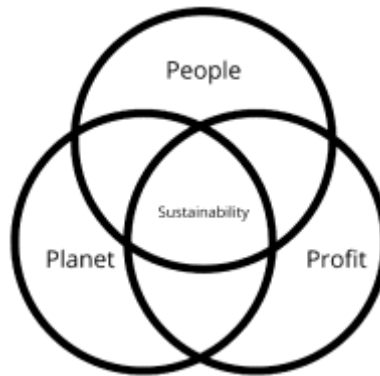
Figure 1 The Tripple Bottom Line
Source: Resource Management Associates Environmental Services

1. Profit, it is imperative that companies endeavor to generate financial and economic profits, which are essential for their continued operation and growth.
2. People, it is incumbent upon companies to consider the welfare of people. Some organizations implement corporate social responsibility (CSR) programmers, which may include initiatives such as providing scholarships to students in the vicinity of the company, constructing educational and healthcare facilities, bolstering the local economy, and even establishing social protection.
3. Planet, the company demonstrates a commitment to the sustainability of biodiversity and the environment. This is evidenced by the implementation of various corporate social responsibility (CSR) programmers, including environmental reforestation, the provision of clean water facilities, settlement improvement, and the development of ecotourism.

The implementation of social responsibility is also regulated in Undang Undang No. 40 of 2007, Article 74, which includes the following provisions;
1. It establishes the obligation of social and environmental responsibility for companies engaged in activities related to natural resources.
2. It establishes the methodology for calculating costs and sets forth the principles of appropriateness and fairness.
3. The legislation should also establish a system of sanctions.
4. Regulation of advanced regulations

The submission of Corporate Social Responsibility is made in the form of an annual report. In accordance with the Peraturan Otoritas Jasa Keuangan Number 29/POJK.04/2016 concerning Financial Statements of Issuers or Public Companies, two types of information are disclosed in the annual report, namely,
1. *Mandatory disclosure*, Mandatory disclosure represents an obligation that must be complied with in accordance with applicable rules, such as those set forth in PSAK or by OJK. Following an initial public offering, issuers are required to fulfil the minimum disclosures set by accounting standards.
2. *Voluntary disclosure*, Voluntary disclosure is the disclosure of information by public companies that is not required by mandatory accounting standards or regulations.

Corporate social responsibility or CSR is explained in the financial report in the form of Sustainability Reporting. This report is divided into 3 categories: economic, social, and environmental policies. GRI standards are used as a reference for CSR disclosure standards in Indonesia. Researchers used 6 GRI indicators, including product, economy, environment, labor, human rights, and social. These indicators were measured using indexes mostly from the Global Reporting Initiative (GRI) The following formula was used to calculate the disclosure indicators

Translated with www.DeepL.com/Translator (free version);

$$\text{CSRDI} = \frac{\Sigma \text{Xij}}{\text{Nj}}$$

CSRDI   : Corporate Social Responsibility Disclosure Index
Xij   : Dummy variable; 1 = if 1 item is disclosed, 0 = if the item is not disclosed, thus $0 \leq \text{CSRDI} \leq 1$.
Nj   : number of items for the company j, nj $\leq$ 91

2.2 Political Connections

The term "political connections" refers to relationships between leaders, shareholders, or their families with politicians or those involved in politics. In this context, a "politically connected company" is defined as a company that has at least one member of the Board of Commissioners who serves as a state government official. Examples of companies with political connections include;

1. It is not uncommon for members of the board of directors or board of commissioners to concurrently hold positions within the government.
2. The members of the board of directors or commissioners have previously held governmental positions.
3. The proprietor or shareholder of the company is a politician who occupies a position within the government or has previously done so.
4. The company owner or shareholder maintains a close relationship with a politician or political party, government official, or former government official.

It is challenging to circumvent the influence of political connections within organizations, given the symbiotic relationship between politics and business in ensuring the long-term viability of the former. As posited by Faccio (2006), the formation of political connections within business enterprises can be attributed to the involvement of shareholders or company executives in relationships with politicians or political parties. This encompasses the establishment of friendships with heads of state, ministers, members of parliament, or former executives who have been involved in political activities. A company is deemed to possess political connections if its principal shareholders or leaders have a history of engagement with politics. The measurement of political connections is conducted through the utilization of a dummy variable (Tangke, 2019).

$1 = $ if politically connected
$0 = $ if there are no political connections

The minimum government shareholding of 25% is derived from the stipulations set forth in Undang undang No. 36/2008, Article 18, paragraph 4, pertaining to the special relationship. A minimum 25% shareholding by the government is indicative of a political connection.

2.3 Firm value

The term "firm value" is defined as the value that can be quantified through a comparison of the company's performance outcomes. The objective of firm value is to maximize shareholder wealth, thereby increasing the company's share price (Brigham & Eugene F., 2005: 518). The value of a company is of great consequence to the entity in question. The value of a company can be observed through the examination of the high level of share value owned by shareholders in relation to their investment. The value of a company can be gauged by observing fluctuations in stock prices and other indicators related to the value of shares and investments.

There are a number of ways in which the value of a firm can be measured, including the use of Tobin's Q. Tobin's Q is a concept that is useful for the assessment of a company's value, as it demonstrates the current financial market estimate of the return value of each dollar of incremental investment. One alternative method for valuing the company is to use Tobin's Q. Tobin's Q was developed by Professor James Tobin (Weston and Copeland, 2004) and is calculated by comparing the ratio of the market value of the company's shares to the book value of the company's equity. The formula for Tobin's Q is as follows:

$$TQ = \frac{\text{Market Capitalisation Value } + \text{ Total Debt}}{\text{Total Assets}}$$

The market value of a company can be understood as a reflection of its overall assets, as well as a gauge of market sentiment and speculation surrounding its intellectual capital. In this context, Tobin's Q can serve as a valuable tool for estimating the rate of profit or marginal cost.

3. Methods

This study used a quantitative approach. Data analysis begins with descriptive statistical analysis by calculating the mean, median, max, min of the data set and mode. Furthermore, using an analytical tool, namely EViews, classical assumption testing is carried out by conducting Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test. After classical assumption testing, data processing can be continued with panel data regression analysis. Three methods are used to estimate the panel data regression model. Researchers will use three panel data regression models: Common Effect Model, Fixed Effect Model and Random Effect Model. Furthermore, because this research uses panel data, model testing or analysis must be carried out first, including the Chow test, Hausman test,

Lagrage Multiplier test. Finally, hypothesis testing is carried out both partially and simultaneously and the coefficient of determination is calculated.

4. Result

This research employs panel data in the form of financial reports from LQ45 companies, spanning the research period of 2020-2022. The data was obtained from the Indonesia Stock Exchange (www.idx.co.id). The population of this study was 45 companies, sampled using the purposive sampling technique, with the following criteria;

Tabel 1 Research Sample Selection Process

NO	Criteria	Criteria Violations	Accumulation
1	LQ 45 companies listed on the Indonesia Stock Exchange (BEI) 2020-2022		45
2	LQ 45 companies that are not delisted during the 2020-2022 period		
3	Companies that are not consistently included in LQ 45 during the 2020-2022 period	(17)	
	Research Sample		28
	Total Sample (N) = 18 x 3 years of research		**82**

Source: Processed data

Table 1 indicates that 28 LQ45 companies, with a total of four years of reports, comprise the group of companies that meet the established criteria, resulting in a total of 82 research samples. The companies that have been identified are as follows;

Tabel 2 List of Research Samples

No	Kode Saham	Nama Perusahaan	No	Kode Saham	Nama Perusahaan
1	ADRO	PT Adaro Energy TBK	15	INKP	PT Indah Kiat Pulp & Paper Corporation
2	ANTM	PT Aneka Tambang (Persero) TBK	16	INTP	PT Indocement Tunggal Prakarsa TBK
3	ASII	PT PT Astra International TBK	17	ITMG	PT Indo Tambangraya Megah TBK
4	BBCA	PT Bank Central Asia TBK	18	KLBF	PT Kalbe Farma TBK
5	BBNI	PT Bank Negara Indonesia (Persero) TBK	19	MEDC	PT Medco Energi Internasional TBK
6	BBRI	PT Bank Rakyat Indonesia (Persero) TBK	20	MNCN	PT Media Nusantara Citra TBK
7	BBTN	PT Bank Tabungan Negara (Persero)	21	PGAS	PT Perusahaan Gas Negara (Persero) TBK
8	BMRI	PT Bank Mandiri (Persero) TBK	22	PTBA	PT Bukit Asam TBK
9	CPIN	PT Charoen Pokphand Indonesia TBK	23	SMGR	PT Semen Indonesia (Persero) TBK
10	EXCL	PT XL Axiata TBK	24	TLKM	PT Telekomunikasi Indonesia (Persero) TBK
11	HMSP	PT Hanjaya Mandala Sampoerna	25	TPIA	PT Chandra Asri Petrochemical TBK
12	ICBP	PT Indofood CBP Sukses Makmur TBK	26	UNTR	PT United Tractors TBK
13	INCO	PT Vale Indonesia TBK	27	UNVR	PT Unilever Indonesia TBK
14	INDF	PT Indofood Sukses Makmur	28	WIKA	PT Wijaya Karya (Persero) TBK

Sumber: www.idx.co.id (data diolah oleh peneliti 2024)

5. Discussion
5.1 Descriptive Statistical Analysis

A descriptive analysis was conducted using EViews, with the results of the descriptive statistical analysis presented as follows;

Tabel 3. Descriptive Statistical Analysis Results

	N	Mean	Median	Minimum	Maximum	Std. Deviation
CSR Disclosure	82	0.770270	0.752747	0.140000	1.410000	0.261975
Political Connections	82	0.540541	1.000000	0.000000	1.000000	0.501756
Firm value	82	1.330405	1.165000	0.080000	3.990000	0.820821
Valid N (listwise)	82					

Source: EViews 12, Output Results, 2024

As evidenced in Table 3, it can be observed that;
1. The mean value of the CSR Disclosure variable is 0.770270, with a standard deviation of 0.261975. The lowest recorded CSR value was 0.140000, observed in PT Semen Indonesia (Persero) TBK in 2020. The maximum value of the results of descriptive statistical data processing is 1,410000 was observed in PT Media Nusantara Citra TBK in 2020
2. The mean value of the Political Connections variable is 0.540541, with a standard deviation of 0.501756. The lowest recorded value for minimum Political Connections was 0.000000. The maximum value, derived from the descriptive statistical data processing of the 1,000000.

3. The mean value of the Firm value variable is 1.330405, with a standard deviation of 0.820821. The lowest recorded value for Firm value was 0.080000, observed in the case of PT Medco Energi Internasional Tbk in 2020. The maximum value of the results of descriptive statistical data processing was observed in 2022 at PT Indofood Sukses Makmur, with a value of 3,990000.

5.2 Classical Assumption Testing
5.2.1 Normality Test
In this study, the normality test of the regression model was conducted using the results of data processing with EVIEWS 12 software, and the following results were obtained
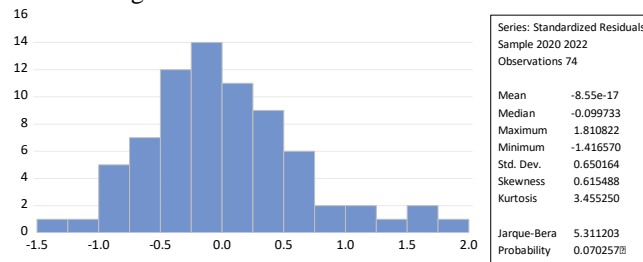

Series: Standardized Residuals	
Sample 2020 2022	
Observations 74	
Mean	-8.55e-17
Median	-0.099733
Maximum	1.810822
Minimum	-1.416570
Std. Dev.	0.650164
Skewness	0.615488
Kurtosis	3.455250
Jarque-Bera	5.311203
Probability	0.070257

Figure 2 Normality test results
Source: Eviews 12 Output Results, 2024

In light of the findings presented in Figure 2, which indicate a probability value exceeding 0.05, it can be inferred that the data in question exhibits a normal distribution.

5.2.2 Heteroscedasticity Test
In this study, the heteroscedasticity test was conducted using the LR Test, and the following results were obtained;

Tabel 4 Heteroscedasticity Test Results

Panel Period Heteroskedasticity LR Test
Equation: UNTITLED
Specification: Y C X1 X2
Null hypothesis: Residuals are homoscedastic

	Value	df	Probability
Likelihood ratio	3.720062	25	1.0000

LR test summary:

	Value	df
Restricted LogL	72.63879	71
Unrestricted LogL	70.77875	71

Source: Eviews 12 Output Results, 2024

Table 4 indicates that the probability value of the heteroscedasticity LR Test is 1.0000, which is greater than 0.05. Therefore, it can be concluded that this study is free from heteroscedasticity problems.

5.2.3 Multicollinearity Test
Based on the multicollinearity test results, the following results are obtained;

Tabel 5 Multicollinearity Test Results

Variance Inflation Factors
Date: 07/27/24   Time: 01:59
Sample: 1 74
Included observations: 74

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.024298	4.137113	NA
X1	0.001372	3.111925	1.000103
X2	0.023513	2.055768	1.000103

Source: Eviews 12 Output Results, 2024

As evidenced by the data presented in Table 5, the Centered VIF value for both X1 and X2 is less than 10, indicating that the data does not exhibit a strong correlation.

5.2.4 Autocorrelation Test
Based on the Autocorrelation test results, the following results are obtained

Tabel 6 Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	2.014935	Prob. F(2,69)	0.1411
Obs*R-squared	4.083402	Prob. Chi-Square(2)	0.1298

Source: EViews 12 Output Results, 2024

As evidenced by the results presented in Table 6, the calculated probability chi-squares value of 0.1298 is greater than 0.05, indicating that the data set is free from any residual errors

5.3 Panel Data Regression Selection Method
Prior to conducting panel data regression analysis, it is first necessary to carry out the regression model estimation method in order to determine which regression model estimation method is the most appropriate for use in the regression analysis of the study. Panel data can be analyzed using three different approaches, which yield the following results;

1. The Chow Test Model In accordance with the findings of the Chow Test, the calculated Chi-Square probability value is 0.0488. This indicates that if the value is less than 0.05, the selected model is the Fixed Effect Model. Consequently, should the Fixed Effect Model (FEM) be selected, the subsequent test to be conducted is the Hausman Test.
2. The Hausman Test The test results indicate that the probability value is 0,0075, which is less than 0.05. This signifies that, in this test, the selected model is the Fixed Effect Model. Consequently, if this model is chosen, the test must proceed to the final stage, namely the Lagrange Multiplier Test.
3. Lagrange Multiplier Test. The test results indicate that the Breusch-Pagan Cross Section value is 0,4102, which is less than 0.05. Therefore, it can be concluded that the selected model is the Common Effect Model. This model will serve as a reference for determining the research hypothesis in this study

5.4 Panel Data Regression Analysis
The results of the panel data regression selection method testing indicate that the fixed effect model regression equation is the most appropriate for use in this instance. The data processing results are as follows;

Tabel 7 Panel Data Regression Analysis Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 07/27/24   Time: 10:38
Sample: 2020 2022
Periods included: 3
Cross-sections included: 25
Total panel (unbalanced) observations: 74

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.851288	0.155879	5.461208	0.0000
X1	0.111238	0.037042	3.003055	0.0037
X2	0.114088	0.153338	0.744030	0.4593

Source: EViews 12 Output Results, 2024

In accordance with the findings of the calculations presented in Table 7, the regression equation can be formulated as follows;

$$Y = 0.851288 + 0.111238*X1 + 0.114088*X2 + [CX=F]$$

The results can be interpreted as follows, based on the aforementioned equation;

1. The constant value of 0.851288 indicates that there is no change in Corporate Social Responsibility (CSR) Disclosure (X1) and Firm value (X2), and thus, Financial Performance has a value of 0.851288 significant units at an alpha of 5%.
2. The coefficient value of Corporate Social Responsibility (CSR) Disclosure (X1) is 0.111238, indicating that an increase of 1% in CSR Disclosure will result in a 0.111238% increase in Firm value (Y), assuming that X2 remains constant.
3. The coefficient value of Political Connection (X2) is 0.114088, indicating that an increase of 1% in Political Connection will result in a 0.114088% increase in Firm value, assuming that X1 remains constant.

5.5 Hypothesis Testing
5.5.1 Partial Test
A partial test (t-test) is employed to ascertain whether there is an influence between Corporate Social Responsibility (CSR) disclosure and political connections, partially on firm value. The results of data processing, as presented in Table 7, yield the following findings;
1. The Effect of Corporate Social Responsibility (CSR) Disclosure on Firm value
   The results of partial hypothesis testing indicate that the t-count value of 3.003055 is greater than the t-table value of 1.66660, with a probability value of 0.0037 less than the alpha level of 0.05. It can thus be concluded that there is a partially significant effect of corporate social responsibility (CSR) disclosure on firm value.
2. The Effect of Political Connection on Firm Value
   The results of partial hypothesis testing indicate that the t-count value of 0.744030 is less than the t-table value of 1.66660, with a probability value of 0.4593 greater than $\alpha = 0.05$. It can thus be concluded that political connection has no significant effect on firm value.

5.5.2 Simultaneous Test
A simultaneous test (F test) is conducted to elucidate the relationship and influence between the independent variable and the dependent variable. The F test demonstrates whether all the independent variables, namely Corporate Social Responsibility (CSR) Disclosure and Political Connections, included in the model, exert a joint influence on the dependent variable (Firm Value).

Tabel 8 Simultaneous Test Results

R-squared	0.119307
Adjusted R-squared	0.094499
S.E. of regression	0.659258
Sum squared resid	30.85807
Log likelihood	-72.63879
F-statistic	4.809183
Prob(F-statistic)	0.010997

Sumber: Hasil Output Eviews 12, 2024

Table 8 indicates that the F-count value of 4.809183 is greater than the F-table value of 2.74, with a Prob (F-statistic) value of 0.010997 that is smaller than 0.05. This suggests that the independent variable (Corporate Social Responsibility (CSR) Disclosure and Political Connections) exerts a simultaneous influence on the dependent variable (Firm Value).

5.5.3 The Coefficient of Determination
The coefficient of determination is employed to ascertain the suitability and accuracy of the estimated value or regression line derived from the sample data. Table 8 reveals that the coefficient of determination yielded an adjusted R-squared value of 0.094499, representing 9.45% of the dependent variable, namely firm value. This indicates that 9.45% of the dependent variable is influenced by Corporate Social Responsibility (CSR) disclosure and political connections, while the remaining 81.54% is explained by variables outside the research model.

6. Conclusion

In light of the findings from the research and discussions conducted on the subject of Corporate Social Responsibility (CSR) Disclosure and Political Connections to Firm Value in LQ 45 companies listed on the Indonesia Stock Exchange (IDX) over the period 2020-2022, the following conclusions can be drawn;

1. The results of the data processing indicate that there is a significant effect of Corporate Social Responsibility (CSR) Disclosure on Firm Value. This result elucidates that if a company engages in Corporate Social Responsibility (CSR) Disclosure in its business activities, it can enhance the perceived value of the company by investors. The pronounced relationship between CSR Disclosure and firm value can also be discerned through the results of descriptive analysis, which demonstrate that the mean value is higher than the standard deviation value. This indicates that there is no data intersection on the CSR Disclosure variable, and it can be posited that the data is accurate.

2. The results of the data processing indicate that there is no significant effect of Political Connection on Firm Value. The success of a company is not determined by its political relationship with government officials or political parties. This is also because some investors consider companies with political connections to have poor performance, which leads them to choose not to invest in such companies.

3. Based on the data processing, Corporate Social Responsibility (CSR) Disclosure and Political Connections simultaneously affect Firm Value. The significant relationship between Corporate Social Responsibility (CSR) Disclosure and Political Connections on Firm Value can also be seen from the results of descriptive analysis, which shows that the standard deviation value of Firm Value is 0.820821 The average value of Firm Value variable is 1.330405. The mean is greater than the standard deviation, so there is no deviation in the political connection variable and it can be said to be accurate.

4. 9.45% of the dependent variable of firm value can be explained by the two independent variables, namely Corporate Social Responsibility (CSR) Disclosure and Political Connection. While the remaining 90.55% is explained by other variables.

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