

GREEN INVESTMENT, CORPORATE SUSTAINABLE RESPONSIBILITY DISCLOSURE AND SOCIAL COLLABORATION INITIATIVES ANTECEDENCE FOR DRIVING FIRM PERFORMANCE.

Samtono¹, Sukrisno², Haniek Listyorini³, Hendrajaya⁴, Sapto Supriyanto⁵
Mengku Marhendi⁶, Heru Yulianto⁷, Idah Kusuma Dewi⁸

Lectures of Indonesian College of Tourism Economic (STIEPARI) Semarang

samtono61@gmail.com, harlinokris@gmail.com³, hanilistyorini@yahoo.com,
hjhenjoyo@gmail.com

sapto.supriyanto111@gmail.com, mengkumarhendi@gmail.com, hry000007.pjk@gmail.com,
idahkusumadewi71@gmail.com

Abstract

Purposes : This study aims to build a conceptual model for improving the firm performance based on Green investment, CSR disclosure and social collaboration initiatives.

Research methodology: A structural study methodology was adopted using 220 samples taken from managers and staff in manufacturing companies in the province of Central Java and data were collected by means of a questionnaire, to test the model and hypotheses in this study, the authors used Amos 25 as a data analysis tool.

Findings: The results of this study indicate that there are two strategic pathways for improving firm performance, the first strategies are achieved through green investment, CSR disclosure and firm performance, the second strategy is disclosure of CSR, social collaborative initiatives and firm performance.

Limitations: This study uses variables that are still abstract and have not been able to regress the dimensions contained there in into conclusion variables for each antecedent variable. In addition, this study only used a sample with a small scope, namely only in Central Java Province.

Contribution: The results of this study can be applied to strengthen the agency theory and stakeholder theory contained in the study of financial management. The results of this study are legitimized to provide recommendations for practitioners, There are several practical managerial implications for improving the performance of manufacturing companies in Central Java in this case managers have to improve firm performance based on social and environmental performance as well as green-based investment decisions.

Keywords: Green Investment, CSR Disclosure, Social Collaboration Initiatives, Firm Performance, Manufacture.

1. INTRODUCTION

The company's activities actively contribute on air pollution, as well as the environmental damage and disturbance created by the company. The concept of green investment has been successfully applied in the company's management process. In the application of the investment green, the company has succeeded in making innovations to increase the value of the product resulting from the implementation of the green investment, which can reduce environmental costs that increase when there is an increase in better firm performance. that better firm performance can be realized by increasing CSR in real terms which will have an impact on the emergence of legitimacy for reducing negative impacts on the environment and the probability value of the company when the company successfully implements green investment and CSR (Alhadid & Abu-Rumman, 2014), (Chen et al., 2006), and (Weng et al., 2015). Based on the background of the problem above, it can be described that green investment and CSR tools from various manufacturing companies show that they have been able to provide a better form of ethics and have succeeded in increasing competitiveness and profitability (King & Lenox, 2002; Klassen & Whybark, 1999; Orlitzky et al., 2011). The issue of global social responsibility (CSR) has been able to ensure reducing pressure from stakeholders and competition among existing companies. From an external perspective, it can be seen that what managers do as existence in managing the company has occurred a form of

conflict that can be reduced by the existence of CSR (Mishra & Suar, 2010), (Mugisa, 2011), Teimouri et al. (2011), (Babalola, 2012), and (Li et al., 2014). Various academic debates conducted in previous research have shown that CSR can provide a form of external understanding perspective on companies to increase corporate value. Surroca et al. (2010) and (Herrera Madueño et al., 2016).

The role of CSR has shown that the contribution of CSR has been able to increase the company's growth either by using mediating factors or directly (Olowokudejo et al., 2011), Olusanya dkk. (2012), and (Okwemba et al., 2014). Companies that do not implement CSR will not provide positive benefits compared to companies that implement CSR programs (Fosfuri, 2009; Herrera Madueño et al., 2016). The indirect relationship of CSR implementation is mediated by rational capacity which can increase the role of CSR indirectly to increase firm performance (Fosfuri, 2009; Herrera Madueño et al., 2016). The practice of CSR in companies that focus on manufacturing induction which results in environmental involvement and will involve the wider community as a provider of work raw materials so that it is an ethical obligation to disclose CSR as a moral and ethical company optimally (Post et al., 2011). Various manufacturing companies in Indonesia have dispensed with dealing with air and environmental problems. The results of previous studies have succeeded in showing the role of CSR and environmental sustainability in improving company performance, but the findings obtained empirically still provide academic space to provide aspects of increasing the value of firm performance and through other factors based on CSR disclosure and environmental sustainability. This study aims to propose a conceptual model enhancing financial performance based on green investments and CSR disclosure through social collaboration initiative.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory

The contract between the principal and the agent has been explained in the concept of agency theory in running an agency company to carry out the delegation of principles to run the company according to the employment contract (M. Jensen & Meckling, 2012). Therefore, management as agents have broader information than principles because they are directly involved in managing the company, so there is often a conflict of interest between agents and principles when there is an asymmetry of information. This conflict of interest is usually referred to as an agency conflict of interest because there is a difference of interest between the agent and the principal as shareholders. On the other hand, the agent wants to improve welfare but in principle also wants to increase wealth from the investments that have been made in the company so that the principle always strives to increase the value of the company. In this case, the owner must pay agency fees to reduce the conflict to reduce the occurrence of investment deficiencies made. Overcoming the agency relationship that causes the conflict, an internal mechanism structure is formed, known as good corporate governance. The governance that is arranged in the internal company is expected to be a system that investors can expect that the level of investment made can influence optimally (Gustiandika & Hadiprajitno, 2014). Yes, it is good enough to aim to hope investors that the profits to be obtained will provide a significant increase in the value of the company. This means that managers will act honestly in running the company according to what they do, will not carry out a fraudulent embezzlement process and will invest in projects that are promised prospectively related to capital funds issued by investors. This will reduce costs because management must be implemented and controlled so that the laws and regulations apply (Napitupulu et al., 2020). In other words, the implementation of good governance is one of the indicators to ensure that the management as managers and the ranks under them will work well to achieve the company's goal of increasing the prosperity of the shareholders. Shareholder prosperity as measured by the increase in company value will create added value for investors to make investment decisions in social and environmental activities (Dang et al., 2020). Environmental performance and CSR activities carried out by the company to ensure that the company's management will make better efforts

will be able to increase added value for stakeholders as indicated by positive investor responses and increase value and increase company value (Dang et al., 2020).

Stakeholder Theory

Stakeholder theory has contributed to management literacy that knowledge regarding the role of managers does not become agents for the principles but they also become agents for all stakeholders (Hill and Jones, 1992). The relationship between agency theory and stakeholder theory states that firm performance is also significantly related to social performance (Orlitzky et al., 2011). Companies that want to maximize shareholder profits and maintain reputation in the future must be able to think comprehensively to integrate various parties, not only shareholders but also external stakeholders (M. C. Jensen, 2001). As a consequence, to gain legitimacy from stakeholders, the company must take a corporate action that can adopt social and environmental values that are integrated with the company's goals (Aerts & Cormier, 2009).

As explained earlier that the manager will control the company and maximize the profits to be obtained on the value of the company. However, monitoring of managers is expected to be able to create sufficient value for shareholders not from short-term conditions but this assumption in the long term. A monitoring mechanism is developed that is seen from the relationship process and these actions in management decision making as seen to maximize productivity and efficiency. so that management will contradictorily take actions and decisions that do not only seek to maximize personal well-being.

Green investment and CSR disclosure

Progressive changes from the demands of increasing pressure from stakeholders and service behaviour compared to products and will affect to implement new management to remain perfect in the competition and efficiency of the work done (Karásek & Pavlica, 2016)(Atif et al., 2020). Green info has provided evidence of empirical studies and learning on an academic scale can provide several definitions that contribute to understanding and sustainable development to improve firm performance. the factors that influence these investments have influenced other factors from an investment point of view, so the fundamentals in investing are defined as an asset class that differs between stocks, bonds and investments (Iig, 2019). This study is expected to be able to provide predictions related to the size of investments in different approaches to obtain sufficient investment concepts. Management Science and other sciences. In a broad sense, the concept of green investment is defined as an investment that cares about going concern conditions that can provide a form of investment that is considered a concept that integrates investment in the social environment, governance and investment that is not socially responsible (Martin & Moser, 2016). Environmental policies regulated by the government that aim to reduce pollution emissions must also be a concern of managers in managing the company because it is in the interest of the stakeholders who have also determined the level and sustainability of the company. At the same time, green investment is not able to simultaneously provide a form. Social responsibility and promotion of efficient resource conservation promotion (Xing et al., 2019; Yen, 2018) . Increasingly popular academically and practically has been able to provide a carrying capacity for environmental improvement by taking strategic steps to support the surrounding ecological environment (Chit,imiea et.al ,2021). Green was also approached with environmental improvements for individual corporate socially responsible environmental donations. Green is also responsible and socially for an ecological civilization such as reducing house gases, air pollution, substantially reducing the production process and consumption of non-energy products. Investments and environmental practices play a key role in various aspects so that companies need to respond to the current and evolving challenges of stakeholders (Xing et al., 2019; Yen, 2018).

The results of research conducted by the CDP Carbon Disclosure Project in South Africa have succeeded in revealing the fact that organizations are integrated with ecology and green concepts able to reduce carbon emissions and can manage financial performance effectively.

Corporate social responsibility which is more emphasized on stakeholder aspects and various important factors to comprehensively increase the value of the company must be able to solve social problems faced by adopting various holistic thoughts to involve the concept of social responsibility and corporate performance as the orientation of the goals of the stakeholders. Managers and principles of academic debate conducted by various previous researchers show that companies have solved their social problems using negative externalities and integrated with their business activities (P. T. Lee et al., 2011). This is to foster the spirit of the company in playing an active role in solving social problems by not leaving the main goal of the company, namely improving the company (Chițimiea et al., 2021). One of the factors that can contribute to increasing the company's economic value is social responsibility from one of the green investment concepts as an investment decision on the surrounding environment. It has an impact on the level of CSR optimally based on the background of the problem described based on the perspective of various theoretical developments related to green investment and CSR as well as the results of various previous empirical studies, the following hypotheses can be drawn:

H1: Green investment has a positive effect on CSR disclosure

CSR Disclosure And Collaboration Initiative

Resolution of conflicts that arise between the company and its stakeholders due to negative externalities from physical activities carried out by the company so far. that is sustainable beyond the legal and organizational responsibilities of the company, the business council has provided a form of development that has provided a form of development so that it defines CSR as a business commitment that can contribute to the development of the universe, especially the environment and the economy in a sustainable manner through a collaborative process of working with their employees. their families are local and public communities that have been instilled since employees entered the company to join whose orientation is to improve their quality of life which is beneficial for business and company development. CSR can improve the welfare of the community through the business practices they carry out with the commitments. The report carried out in CSR is a comprehensive economic policy reporting related to environmental and social and organizational and product performance in the context of sustainable development carried out by the company. CSR there is a report on development challenges and opportunities that will bring this core to excellence in terms of competition in the same industrial sector. Social collaboration is important to provide a benchmark to explain the conflicts that arise between the company and other stakeholders due to the negative externalities of their business activities so far. Previous academic debates have been given regarding the relationship between socially meaningful patterns and CSR. The existence of CSR has been able to encourage companies to carry out various social collaborations that will make it easier for companies to implement CSR programs that are in line with the company's vision and mission (Ayman Othman & Mahmoud Abdellatif, 2011). Previous research has also succeeded in showing that the recent implementation of CSR carried out by companies will be able to provide a form of collaboration between non-profit organizations and the government to create social value effectively and efficiently (Seitanidi & Crane, 2009). Companies and non-profit organizations that mingle to assist cross-sectoral social collaboration are expected to be able to assist companies in implementing their social responsibility towards the environment from CSR. As well as the results of various previous empirical studies, the following hypotheses can be drawn.

H2: CSR disclosure has a positive effect on social collaborative initiative.

CSR Disclosure, Social Collaboration Initiative and Firm Performance

Understanding of CSR has referred to a philosophy of long-term recognition of the company's actions on the welfare of society. This can be interpreted as charitable activities and employee health that must be managed properly by the company so that the company gains the trust of its stakeholders and employees. Basically, CSR can be understood as a form of value that can provide positive preservation of social aspects related to several concepts of people and society (Chow & Chen, 2012) and stakeholders but this was initially separated from the

concept of social values (Snider et al., 2003). The following is an attempt to use company resources effectively to increase the profits expected by the company without a fraudulent process (Snider et al., 2003). The pyramid on social responsibility as a framework for determining corporate social responsibility, the framework includes 4 responsibilities from the legal aspects of economics, ethics and philanthropy which are the foundation of economic responsibility. The layer of legal responsibility focuses on the company's compliance with the law needed to regulate its operations. Ethical responsibility in carrying out right and fair actions so that the company can give rights to employees and responsibilities to the surrounding environment when conducting operations within the company. The legal responsibility layer focuses on compliance with the law necessary to regulate its operations ethical responsibilities in carrying out right and fair actions . The company can give rights to employees and responsibilities to the surrounding environment when conducting operations within the company. Regarding the philanthropic layer, companies must be able to provide donations from some of their resources, empowered from the heart that they must give to the community. This layer of philanthropy is more related to the implementation of CSR in disclosure (Carroll, 1991). Recently, the key to the success of companies has been researched related to the social processes they carry out when they also simultaneously run operations within the company. It becomes a benchmark for the performance of the environmental performance around them as a whole will have an impact on the company's performance (Tardivo et al., 2017); (Franceschelli et al., 2018); (Santoro et al., 2018).

CSR refers to a philosophy that recognizes the long-term effects of corporate actions on the welfare of society (Elkington, 2013). Charitable activities and employee health should be managed properly by companies to strengthen relationships with stakeholders. Thus, the main goal of CSR is with social values related to people and society (Dempsey et al., 2011). There is awareness about the term CSR among companies and stakeholders. argues that CSR is the relationship between companies and society. (Friedman, 1962) defines CSR as the use of company resources to increase its profits without fraud or deception. Similarly, (Carroll, 1991) states that "CSR involves conducting a business so that it is economically profitable, the law is the primary condition when discussing corporate ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent" (p. 608). In 1991, Carroll developed a "social responsibility pyramid" framework for defining corporate social responsibility. The framework includes four responsibilities: economics, law, ethics and philanthropy. The foundation of the pyramid is economic responsibility; Being profitable is a core responsibility of the company. The second layer of the pyramid is legal liability, which focuses on the company's compliance with the laws necessary to regulate its operations. The third layer is ethical responsibility: operating ethically by doing what is right and fair. Their top layer, philanthropic responsibility, suggests that companies should contribute some of the resources; this upper layer is more related to CSR. Recently, the features of the success of companies have been examined along with their social practices (Tardivo et al., 2017); (Franceschelli et al., 2018); (Santoro et al., 2018). The benefits of CSR include a better company reputation, better competitive advantage, more transparency, competitive comparison and encourage employees to realize sustainable development (Herzig & Schaltegger, 2006). Previous studies suggest that CSR-enabled firms increase revenue and reduce costs (Lindgreen et al., 2009; Luo & Bhattacharya, 2006; Maignan & Ferrell, 2001; Orlitzky et al., 2003). In addition, CSR has been considered as a tool for excellence and improving financial performance (Alexander & Buchholz, 1978; McWilliams et al., 2006; Porter & Kramer, 2017; Porter & Van Der Linde, 2017). CSR disclosure has a major impact on stakeholder trust and, if used properly, supports the organization. The higher the CSR, the lower the business risk (Giacosa et al., 2017). From the point of view of institutional theory, companies work on social because three main aspects of institutional pressure have their respective roles, namely from the mimetic and stakeholder side (Porter, 1991). Companies report social problems to reduce adverse impacts, these are social impacts that are expected to be reduced so that their operations are in environmental production activities and their employees. Companies are also expected to be

able to focus on developing skills to reduce the rate of work accidents and gender in the workplace which needs to be done to provide social responsibility internally including discrimination in the workplace (Buallay et al., 2017). In practice, social resources used by companies can be considered as inputs in company development (Bresciani et al., 2016). In addition, information on social responsibility by the company will also be able to increase a positive relationship with the company's financial performance (Margolis & Walsh, 2003). However, the findings of the controversy were found to be related to social and corporate performance, the relationship is negative, that the increase in social performance does not show a significant increase in the company's financial performance (Balabanis et al., 1998). From the arguments given above, this finding provides a form of perception that CSR on operational performance in terms of financial and market companies may not be able to take advantage of social issues to achieve social benefits. From the resource-based theory, companies that have worked on social responsibility resources will be able to develop resources to utilize these resources in obtaining fairly high profitability. As well as the results of various previous empirical studies, the following hypotheses can be drawn.

H3: CSR disclosure has a positive effect on firm performance

H4: social collaborative initiative has a positive effect on firm performance

Frame theoretical model

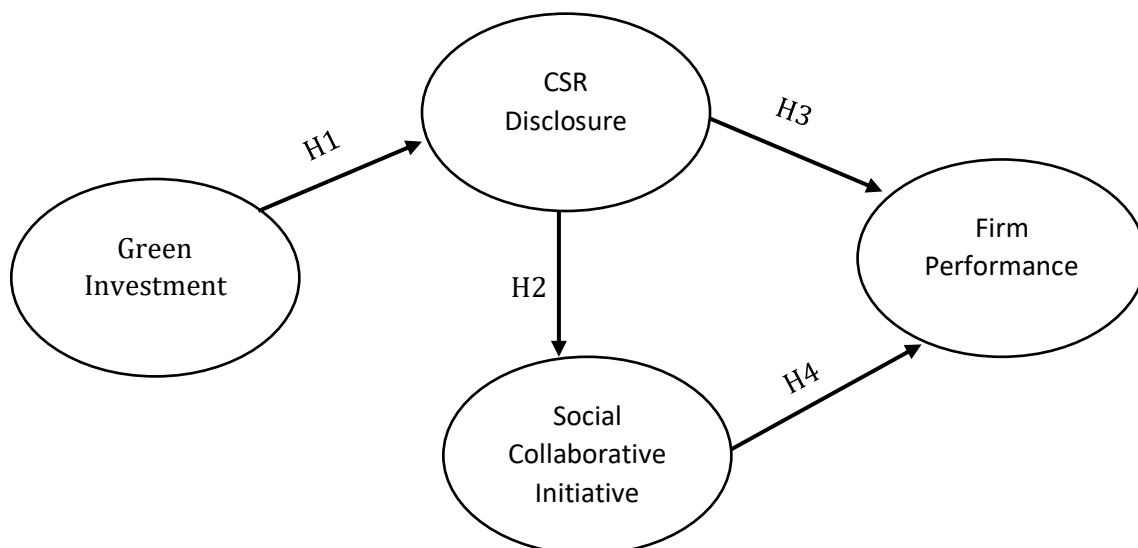


Fig. 1. Conceptual framework and the related hypothesis of the research

3. RESEARCH METHODOLOGY

Population and sample

The researcher designed a questionnaire with 13 questions. The measurement consists of a multi-item scale adopted from previous studies. Table 1 shows the variables used in our model, as well as the indicators and question items. This research design uses a quantitative approach,

with a population of all manufacturing companies in East Java and Central Java. Data were determined by the purposive sampling method. The dependent variable of this research is firm performance and three exogenous variables are green investment, CSR disclosure and social collaboration initiative.

Among the respondents, there were 139 males (62%) and 81 females (38%). Regarding age, 10% of the total respondents are 20-30 years old; 44% are aged 31-40 years, and 46% are over 41 years old. In terms of education level, 45% of the total respondents have a high school education; 43% have a bachelor's degree, and 12% have a master's degree. According to top management status, 27% of the total respondents are owners and only 73% are managing the business by Managers.

Validity and Reliability Test

Testing research data using Structural Equation Modeling (Semmer et al., 2008); (Semmer et al. Analysis) with the AMOS program. This approach is done by testing the parameters resulting from good fit and directly testing the hypothesis about the causality relationship developed in the validity and reliability testing criteria model if the loading factor value > 0.6 then the indicator is said to be invalid and vice versa if the Cronbach alpha value > 0,6 is said to be valid.

Table 3.1. Research instruments and test results

<i>Goodness of fit indices</i>	<i>Cut-off value</i>	<i>Cut-off value of the Results</i>
χ^2 (Chi-Square)	Expected small	112.57
<i>Significant Probability</i>	$\geq 0,05$	0.03
CMIN/DF	$\leq 2,00$	92
RMSEA	$\leq 0,08$	0.07
GFI	$\geq 0,90$	0.813
TLI	$\geq 0,95$	0.905
CFI	$\geq 0,95$	0.924

4. RESULTS AND DISCUSSIONS

Celebration Model Test

The test results show that the fit criteria have been met as indicated by Chi-Square at 112.57 and a probability value of 0.03. Both assumptions are complete. The TLI score was 0.902, GFI 0.867, CFI 0.939, and RMSEA 0.06 which indicated that the score had met the predetermined requirements. This means that the research model is accepted and meets the predetermined criteria. Table 4.1.

Table 4.1. Criteria *Goodness of Fit Model*

No	Variable	Cronbach's Alpha	Indicator	Local loading standards
1	Green Investment	0.808	Sustainable balance economic balance	0.776
	(P. T. Lee et al., 2011)		<i>Economizing.</i> present in future use resource	0.889
			Avoiding wastage of resource	0.793
				0.654
2	Disclosure CSR	0.787	Business ethics	0.767
	(Tardivo et al., 2017); (Franceschelli et al., 2018); (Santoro et al., 2018)		Environment	0.819
			Participation	0.809
			Public-care	
3	Social collaboration initiative	0.806	Active social	0.764
			Collaboration	0.738
	(Handayani et al., 2017)		Integration of resource capability	0.809
			Social Interactive	
4.	Firm performance	0.779	Market Sell	0.683
			Sales	0.781
	(Handayani et al., 2017)		profitability	0.749
			Reputation	
			social legitimacy	

Source: Author's data analysis, 2021

Structural equations based on variance (SEM) is a model used by researchers, namely least-squares SEM, to analyze the data in this study the inclusion of formally measured constructs (Korzynski, Kozminski, et al., 2020); (Korzynski, Mazurek, et al., 2020); (Michael Haenlein, 2004); (Leguina, 2015) (Reinartz et al., 2009); (Richter et al., 2016).

With numbers $0.03 < RMSEA < 0.08$, and although the GFI, TLFI and CFI figures show numbers less than 0.95, there are no problems with the preparation of the model, as described in the table.

Hypothesis Testing

The next step is testing the hypothesis for the clause relationship between variables using the CR-Critical ratio criteria equal to or greater than 2.0 (Arbuckle, 2012.). Then testing the empirical analysis model (output model). The outer model is the model that determines the relationship between the latent construct and its indicators. In other words, the hypothesis defines how each indicator is related to the other latent constructs, as described in the Table.

Table 4.2. Hypothesis Testing Results

Hypotheses	Estimate	Critical Ratio	SE	P value ($\leq 0,05$)	Results
H1: Green investment has a positive effect on CSR disclosure	0.962	2.870	0.53	0.00	Supported

H2: CSR disclosure has a positive effect on social collaborative initiative.	0.813	2.869	0.58	0.00	Supported
H3: CSR disclosure has a positive effect on firm performance	0.917	2.915	0.65	0.00	Supported
H4: social collaborative initiative has a positive effect on firm performance	0.948	2.908	0.62	0.00	Supported

- H1. Green investment effect on CSR disclosure (table 4.2.) i.e. green investment and CSR disclosure. The findings of the structural path show that there is a significant relationship between the strategic role of green investment with CSR disclosure ($t = 2.870 > 1.96$) with a significance value ($0 < 0.05$). Therefore, Hypothesis 2 is accepted.
- H2. CSR disclosure effect on social collaborative initiative. (Table 4.2.) Describing the structural relationship model between CSR disclosure with social collaborative, the pathfinding shows a significant relationship between the role of CSR disclosure with social collaborative ($t = 2.869 > 1.96$) with a significance value ($0 < 0.05$). Therefore, Hypothesis 3 is accepted.
- H3 CSR disclosure effect on firm performance. Table 4.2.) the significance of the relationship model between CSR disclosure and firm performance. Pathfinding shows that there is a significant relationship between the role of CSR disclosure and firm performance. ($t = 2.915 > 1.96$) with a value of ($0 < 0.05$). Therefore, Hypothesis 4 is accepted.
- H4 Social collaborative initiative effect on firm performance. Table 4.2.) the significance of the relationship model between social collaborative initiative and firm performance. Pathfinding shows that there is a significant relationship between the role of social collaborative initiative and firm performance. ($t = 2.908 > 1.96$) with a value of ($0 < 0.05$). Therefore, Hypothesis 4 is accepted.

Discussion

The environment must be considered as a key stakeholder of the company because it can have an impact on increasing global environmental problems. This global environmental concern has become a major concern due to climate change, deforestation, changes in water quality and quantity as well as air pollution and biodiversity, damage to the ozone layer, chemical poisoning, energy efficiency and other problems that arise as an impact when companies operate. This environmental concern needs to be supported by a concept of green corporate stakeholders so that environmental laws need to be enforced. These interests include consumers, employees and other environmental interest groups green investment and green government institutions (Chițimiea et al., 2021). Therefore, initiatives towards the green government need attention in drafting green policies and environmental laws. Investment practices that have been carried out so far can take the form of adaptation of green technology, adoption of green energy and waste management and attention to energy and electric vehicles. Manufacturing companies also need to apply concepts in the form of green logistics, green supply chains, environmental certification, green innovation and green accounting and carbon activities. This strategy is expected to be integrated with green information technology and clean production which represents the company's green program because it is the essence of the company's main goal.

The reforestation program has a significant impact on the company's profitability because it is the main goal of the company and stakeholders regarding attention to environmental performance (Chițimiea et al., 2021). As well as green business opportunities that can be realized optimally. Some of the profitability advantages associated with it will be able to have an impact in terms of the high selling power of green products, reduction of operating costs and competitive advantages in a Greenway as well as green business opportunities that can continue to be optimally realized. The second point of view of this great investment is the efficiency of green production, the risks that can be minimized efficiently while also being able to produce green financial instruments that can be developed from this strategy. The financial investment that can be developed with this strategy is that there are quite essential financial benefits related to the company's green investment initiatives. Therefore once the company gets a higher profit, the background of this form of green decision has become a form of reflection on the company's general goal of making a profit, but the process is also accompanied by attention to the sustainability of environmental performance. This awareness is built based on the company's main goal of implementing Grand investment decisions because of the company's image and legal issues that have been created to protect the environment (Ilg, 2019). This corporate image will be able to generate corporate legitimacy, increase trust from customers and the credibility of the company's products will be able to encourage the achievement of leadership in a green company. When positive media reports and a green corporate lifestyle are published, it will have an impact on competitive advantage.

The company is also able to bring the concept of sustainability and green culture to the company (Xing et al., 2019; Yen, 2018). Green investment can have an impact on increasing the company's social performance both to the environment and the surrounding community, this will be able to produce a social activity as a business strategy to bring the company's competitive advantage. This social activity is part of a strategic plan that can significantly influence the company's business strategy because this strategy will have an impact on improving the company's performance to provide social, environmental and economic benefits. To increase the effectiveness of the company Must think cognitively to build an initiative in forming a social collaboration that has been implemented by manufacturing companies by utilizing various external resources to overcome various limitations that are owned by the company in implementing its social responsibility to the environment and society as well as employees. On this basis as has been stated by various previous studies, a collaborative initiative is needed to create a transfer of information that is quite efficient and is in an experience that can help the difficulties that arise in implementing CSR. Social collaboration implemented by the company can be considered as a strategy that can bring the company to a better condition in its performance. This is because when there is social collaboration, it will increase the company's social ability to be actively involved in providing a form of contribution to the solution of problems faced by the company when the company faces social and environmental problems.

This result is by (Herrera Madueño et al., 2016), (P. K. C. Lee et al., 2011) and (Khan & Jan, 2015), which states that the relationship between CSR and firm performance, by increasing corporate reputation, customer preferences and social legitimacy, can be mediated by relational capabilities or intangible assets. The results show that the sales of companies involved in various CSR activities will be better than companies that do not do CSR (Herrera Madueño et al., 2016), (P. K. C. Lee et al., 2011)), by increasing business efficiency and stakeholder trust and reducing risks in implementing them. social responsibility (Khan & Jan, 2015), Furthermore, social collaboration initiatives significantly. This social collaboration can also increase the existence of a form of company contribution in reducing problems related to the environment, especially pollution, this can be reduced by producing various types of green products. When the implementation of this CSR will be able to encourage social collaboration initiatives, then it will be able to bring about an increase in terms of firm performance by producing various green products, companies can improve their reputation and position and generate competitive advantage. This competitive advantage can be achieved by creating New Markets which ultimately the company will achieve a Superior performance. This is a systemic impact from the

implementation of various initial decisions related to investment and CSR disclosure which will lead to the implementation of social collaboration initiative behaviour where this behaviour will directly have an impact on improving firm performance.

5. CONCLUSION

The results of this study indicate that the conceptual model proposed to solve problems in improving the performance of companies based on limited investment and social performance has succeeded in showing significant results. The hypothesis accepted in this study shows that these variables are able to become a key to improving firm performance so that variables such as green investment, CSR disclosure, social collaboration initiatives and these variables simultaneously are quite capable of providing a form of solution. This improvement in the company's performance is related to the benefits obtained when the company complies with laws related to environmental regulations and protection. It indirectly tries to establish this concept as an investment, as a result, pulses will be able to sustainably provide goods and services that meet the needs of sustainable consumption based on environmentally green concepts. . This green investment will be the basis for preventing conflicts between companies and consumers, companies that have a concern for consumers through improving health, environmental education, preserving the natural environment by companies and reducing conflicts between companies and consumers. When the company takes these actions, the company will be able to reduce conflicts with stakeholders outside the company. The most basic finding from the first of this research is the concept of Green investment which can influence CSR disclosure and CSR disclosure which can affect collaboration initiatives and firm performance. This implies that CSR by producing various green products has been able to provide a form of emission minimization effect that is quite dangerous from the company to the environment. This can be done through product recycling, utilizing existing resources efficiently and then producing environmentally green products.

When this is done, it will be able to encourage the emergence of social participation in CSR which has the opportunity to improve environmental sustainability and social welfare. Therefore, companies need to grow a collaboration initiative that is quite essential externally and internally because this will later be able to direct CSR to improve the performance of innovation companies on firm performance. The most remarkable finding of this study is the significant influence of social collaboration initiatives on corporate performance and the adoption of green innovations in all aspects of corporate strategy. Especially in terms of CSR implementation, social collaboration initiatives are carried out by companies, due to limited capabilities and not being able to carry out CSR well. Social participation contributes to reducing social and environmental problems by involving external parties. This research is the basis for conducting further studies related to improving the performance of environmental-based companies and social performance. The findings of this study are also expected to be a form of articulative explanation for companies to adopt CSR and social collaboration as well as green investment in drivers of firm performance.

LIMITATION AND STUDY FORWARD

This study has several limitations to these limitations, among others, the variables used in this study are more abstract in nature Green investment, social collaboration initiatives and CSR disclosures used in this study have not been dimensionally proven to contribute to improving firm performance. The population and sample used in this study only used various manufacturing industries located in the province of Central Java, this shows that the research scope in this study is still narrow but this study managed to show a significant relationship between all the hypotheses proposed so that the model used proposed in this study can be a reflection of solutions for optimally improving firm performance. Further research is expected to use studies that are more specific than the dimensions of the variables used in this study. In addition, future research is expected to add new variables in the capital proposed in this study

such as institutional pressure variables, Green supply chain management, Green Growth and corporate sustainable performance to improve firm performance optimally. In addition, future research is expected to use a wider sample area, perhaps using the manufacturing industry listed on the Indonesia Stock Exchange.

ACKNOWLEDGEMENT

Researchers thank all those who have helped carry out this research smoothly and various suggestions for academic input that have provided a critical review for this research, myself and to the researchers involved in this research, suggestions and criticisms given have been able to build a discussion academics who can provide criticism from their studies and analysis are given in-depth in this article. In addition, the researchers also thank the respondents who have shown their willingness to fill out and return them on time to speed up the process of completing this research.

REFERENCES

- Aerts, W., & Cormier, D. (2009). Media legitimacy and corporate environmental communication. *Accounting, Organizations and Society*, 34(1), 1–27.
<https://doi.org/10.1016/j.aos.2008.02.005>
- Alexander, G. J., & Buchholz, R. A. (1978). Corporate Social Responsibility and Stock Market Performance. *Academy of Management Journal*, 21(3), 479–486.
<https://doi.org/10.5465/255728>
- Alhadid, A. Y., & Abu-Rumman, A. H. (2014). The Impact of Green Innovation on Organizational Performance, Environmental Management Behavior as a Moderate Variable: An Analytical Study on Nuqul Group in Jordan. *International Journal of Business and Management*, 9(7), 51–58. <https://doi.org/10.5539/ijbm.v9n7p51>
- Arbuckle, J. L. (n.d.). *User 's Guide*.
- Atif, M., Alam, M. S., & Hossain, M. (2020). Firm sustainable investment: Are female directors greener? *Business Strategy and the Environment*, 29(8), 3449–3469.
<https://doi.org/10.1002/bse.2588>
- Ayman Othman, & Mahmoud Abdellatif. (2011). Partnership for integrating the corporate social responsibility of project stakeholders towards affordable housing development: A South African Perspective. *Journal of Engineering, Design and Technology*, 9(3), 273–295.
- Babalola, Y. A. (2012). The impact of corporate social responsibility on firms' profitability in Nigeria. *European Journal of Economics, Finance and Administrative Sciences*, 45(45), 39–50.
- Balabanis, G., Phillips, H. C., & Lyall, J. (1998). Corporate social responsibility and economic performance in the top British companies: Are they linked? *European Business Review*, 98(1), 25–44. <https://doi.org/10.1108/09555349810195529>
- Bresciani, M., National, I., Giardino, C., National, I., Rosaria, L., National, I., Matta, E., & National, I. (2016). *Accepted Article In print on Journal of Limnology , Special Issue. September*.
<https://doi.org/10.4081/jlimnol.2016>
- Buallay, A., Hamdan, A., & Zureigat, Q. (2017). Corporate governance and firm performance: evidence from Saudi Arabia. *Australasian Accounting, Business and Finance Journal*, 11(1), 78–98. <https://doi.org/10.14453/aabfj.v11i1.6>
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39–48.
[https://doi.org/10.1016/0007-6813\(91\)90005-G](https://doi.org/10.1016/0007-6813(91)90005-G)
- Chen, Y. S., Lai, S. B., & Wen, C. T. (2006). The influence of green innovation performance on corporate advantage in Taiwan. *Journal of Business Ethics*, 67(4), 331–339.
<https://doi.org/10.1007/s10551-006-9025-5>
- Chițimiea, A., Minciu, M., Manta, A. M., Ciocoiu, C. N., & Veith, C. (2021). The drivers of green

- investment: A bibliometric and systematic review. *Sustainability (Switzerland)*, 13(6). <https://doi.org/10.3390/su13063507>
- Chow, W. S., & Chen, Y. (2012). Corporate Sustainable Development: Testing a New Scale Based on the Mainland Chinese Context. *Journal of Business Ethics*, 105(4), 519–533. <https://doi.org/10.1007/s10551-011-0983-x>
- Dang, H. N., Pham, C. D., Nguyen, T. X., & Nguyen, H. T. T. (2020). Effects of corporate governance and earning quality on listed vietnamese firm value. *Journal of Asian Finance, Economics and Business*, 7(4), 71–80. <https://doi.org/10.13106/JAFEB.2020.VOL7.NO4.71>
- Dempsey, N., Bramley, G., Power, S., & Brown, C. (2011). The social dimension of sustainable development: Defining urban social sustainability. *Sustainable Development*, 19(5), 289–300. <https://doi.org/10.1002/sd.417>
- Elkington, J. (2013). Enter the triple bottom line. *The Triple Bottom Line: Does It All Add Up*, 1(1986), 1–16. <https://doi.org/10.4324/9781849773348>
- Fosfuri, A. (2009). Working Paper WP-778 THE IMPACT OF SYMBOLIC AND SUBSTANTIVE ACTIONS Pascual Berrone Liliana Gelabert THE IMPACT OF SYMBOLIC AND SUBSTANTIVE ACTIONS. *Business*, 3.
- Franceschelli, M. V., Santoro, G., & Candelo, E. (2018). Business model innovation for sustainability: a food start-up case study. *British Food Journal*, 120(10), 2483–2494. <https://doi.org/10.1108/BFJ-01-2018-0049>
- Friedman, B. M. (1962). *Capitalism and freedom*.
- Giacosia, E., Ferraris, A., & Bresciani, S. (2017). Exploring voluntary external disclosure of intellectual capital in listed companies: An integrated intellectual capital disclosure conceptual model. *Journal of Intellectual Capital*, 18(1), 149–169. <https://doi.org/10.1108/JIC-01-2016-0019>
- Handayani, R., Wahyudi, S., & Suharnomo, S. (2017). The effects of corporate social responsibility on manufacturing industry performance: The mediating role of social collaboration and green innovation. *Business: Theory and Practice*, 18, 152–159. <https://doi.org/10.3846/btp.2017.016>
- Herrera Madueño, J., Larrán Jorge, M., Martínez Conesa, I., & Martínez-Martínez, D. (2016). Relationship between corporate social responsibility and competitive performance in Spanish SMEs: Empirical evidence from a stakeholders' perspective. *BRQ Business Research Quarterly*, 19(1), 55–72. <https://doi.org/10.1016/j.brq.2015.06.002>
- Herzig, C., & Schaltegger, S. (2006). Corporate sustainability reporting: An overview. *Sustainability Accounting and Reporting*, 301–324. https://doi.org/10.1007/978-1-4020-4974-3_13
- Ilg, P. (2019). How to foster green product innovation in an inert sector. *Journal of Innovation and Knowledge*, 4(2), 129–138. <https://doi.org/10.1016/j.jik.2017.12.009>
- Jensen, M. C. (2001). *Jensen-Efm-2001*. 7(3), 1–21. papers3://publication/uuid/C7F3060D-DB4D-4C5D-9C21-9E4F500BB85D
- Jensen, M., & Meckling, W. (2012). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *The Economic Nature of the Firm: A Reader, Third Edition*, 283–303. <https://doi.org/10.1017/CBO9780511817410.023>
- Karásek, J., & Pavlica, J. (2016). Green Investment Scheme: Experience and results in the Czech Republic. *Energy Policy*, 90, 121–130. <https://doi.org/10.1016/j.enpol.2015.12.020>
- Khan, A. S., & Jan, F. (2015). The Study of Organization Commitment and Job Satisfaction among Hospital Nurses. A Survey of District Hospitals of Dera Ismail Khan. *Global Journal of Management and Business Research*, 15(1), 1–13.
- King, A., & Lenox, M. (2002). Exploring the locus of profitable pollution reduction. *Management Science*, 48(2), 289–299. <https://doi.org/10.1287/mnsc.48.2.289.258>
- Klassen, R. D., & Whybark, D. C. (1999). The impact of environmental technologies on manufacturing performance. *Academy of Management Journal*, 42(6), 599–615. <https://doi.org/10.2307/256982>
- Korzynski, P., Kozminski, A. K., Baczynska, A., & Haenlein, M. (2020). Bounded leadership: An empirical study of leadership competencies, constraints, and effectiveness. *European*

- Management Journal*. <https://doi.org/10.1016/j.emj.2020.07.009>
- Korzynski, P., Mazurek, G., & Haenlein, M. (2020). Leveraging employees as spokespeople in your HR strategy: How company-related employee posts on social media can help firms to attract new talent. *European Management Journal*, 38(1), 204–212. <https://doi.org/10.1016/j.emj.2019.08.003>
- Lee, P. K. C., Cheng, T. C. E., Yeung, A. C. L., & Lai, K. hung. (2011). An empirical study of transformational leadership, team performance and service quality in retail banks. *Omega*, 39(6), 690–701. <https://doi.org/10.1016/j.omega.2011.02.001>
- Lee, P. T., Lin, H. W., Chang, Y. H., Fu, T. F., Dubnau, J., Hirsh, J., Lee, T., & Chiang, A. S. (2011). Serotonin-mushroom body circuit modulating the formation of anesthesia-resistant memory in *Drosophila*. *Proceedings of the National Academy of Sciences of the United States of America*, 108(33), 13794–13799. <https://doi.org/10.1073/pnas.1019483108>
- Leguina, A. (2015). A primer on partial least squares structural equation modeling (PLS-SEM). *International Journal of Research & Method in Education*, 38(2), 220–221. <https://doi.org/10.1080/1743727x.2015.1005806>
- Li, T., Zheng, X., Dai, Y., Yang, C., Chen, Z., Zhang, S., Wu, G., Wang, Z., Huang, C., Shen, Y., & Liao, R. (2014). Mapping near-surface air temperature, pressure, relative humidity and wind speed over Mainland China with high spatiotemporal resolution. *Advances in Atmospheric Sciences*, 31(5), 1127–1135. <https://doi.org/10.1007/s00376-014-3190-8>
- Lindgreen, A., Swaen, V., & Johnston, W. J. (2009). Corporate social responsibility: An empirical investigation of U.S. organizations. *Journal of Business Ethics*, 85(SUPPL. 2), 303–323. <https://doi.org/10.1007/s10551-008-9738-8>
- Luo, X., & Bhattacharya, C. B. (2006). Corporate social responsibility, customer Satisfaction, and market value. *Journal of Marketing*, 70(4), 1–18. <https://doi.org/10.1509/jmkg.70.4.1>
- Maignan, I., & Ferrell, O. C. (2001). Corporate citizenship as a marketing instrument - Concepts, evidence and research directions. In *European Journal of Marketing* (Vol. 35, Issues 3–4). <https://doi.org/10.1108/03090560110382110>
- Margolis, J. D., & Walsh, J. R. (2011). Misery Loves Rethinking Companies : Social Initiatives. *Administrative Science Quarterly*, 48(2), 268–305. <http://asq.sagepub.com/content/48/2/268.short>
- Martin, P. R., & Moser, D. V. (2016). Managers' green investment disclosures and investors' reaction. *Journal of Accounting and Economics*, 61(1), 239–254. <https://doi.org/10.1016/j.jacceco.2015.08.004>
- McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate social responsibility: Strategic implications. *Journal of Management Studies*, 43(1), 1–18. <https://doi.org/10.1111/j.1467-6486.2006.00580.x>
- Michael Haenlein, A. M. K. (2004). A beginner's guide to partial least squares analysis, *Understanding Statistics*. Statistical Issues in Psychology and Social Sciences, Volume 3. *Understanding Statistics*, 3(4), 283–297.
- Mishra, S., & Suar, D. (2010). Does corporate social responsibility influence firm performance of Indian companies? In *Journal of Business Ethics* (Vol. 95, Issue 4). <https://doi.org/10.1007/s10551-010-0441-1>
- Mugisa, J. (2011). *The Effect of Corporate Social Responsibility on Business Operations and Performance*. 55.
- Napitupulu, S., Primiana, I., Nidar, S. R., Effendy, N., & Puspitasari, D. M. (2020). The effect of management capabilities in implementing good corporate governance: A study from indonesia banking sector. *Journal of Asian Finance, Economics and Business*, 7(1), 159–165. <https://doi.org/10.13106/jafeb.2020.vol7.no1.159>
- Okwemba, E. M., Chitiavi, M. S., Egessa, R., Douglas, M., & Musiega, M. G. (2014). Effect of Corporate Social Responsibility on Organisation Performance ; Banking Industrykenya , Kakamega County . *International Journal of Business and Management Invention*, 3(4), 37–51.
- Olowokudejo, F., Aduloju, S. A., & Oke, S. A. (2011). Corporate social responsibility and organizational effectiveness of insurance companies in Nigeria. *Journal of Risk Finance*,

- 12(3), 156–167. <https://doi.org/10.1108/15265941111136914>
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. In *Organization Studies* (Vol. 24, Issue 3). <https://doi.org/10.1177/0170840603024003910>
- Orlitzky, M., Siegel, D. S., & Waldman, D. A. (2011). Strategic corporate social responsibility and environmental sustainability. *Business and Society*, 50(1), 6–27. <https://doi.org/10.1177/0007650310394323>
- Porter, M. E. (1991). Towards a dynamic theory of strategy. *Strategic Management Journal*, 12(2 S), 95–117. <https://doi.org/10.1002/smj.4250121008>
- Porter, M. E., & Kramer, M. R. (2017). Strategy & society: The link between competitive advantage and corporate social responsibility. *Corporate Social Responsibility, L*, 359–370.
- Porter, M. E., & Van Der Linde, C. (2017). Toward a new conception of the environment-competitiveness relationship. *Corporate Environmental Responsibility*, 9(4), 61–82. <https://doi.org/10.1257/jep.9.4.97>
- Post, C., Rahman, N., & Rubow, E. (2011). Green governance: Boards of directors' composition and environmental corporate social responsibility. In *Business and Society* (Vol. 50, Issue 1). <https://doi.org/10.1177/0007650310394642>
- Reinartz, W., Haenlein, M., & Henseler, J. (2009). An empirical comparison of the efficacy of covariance-based and variance-based SEM. *International Journal of Research in Marketing*, 26(4), 332–344. <https://doi.org/10.1016/j.ijresmar.2009.08.001>
- Richter, N. F., Cepeda, G., Roldán, J. L., & Ringle, C. M. (2016). European management research using partial least squares structural equation modeling (PLS-SEM). *European Management Journal*, 34(6), 589–597. <https://doi.org/10.1016/j.emj.2016.08.001>
- Seitanidi, M. M., & Crane, A. (2009). Implementing CSR through partnerships: Understanding the selection, design and institutionalisation of nonprofit-business partnerships. *Journal of Business Ethics*, 85(SUPPL. 2), 413–429. <https://doi.org/10.1007/s10551-008-9743-y>
- Semmer, N., Elfering, A., Jacobshagen, N., & Boos, N. (2008). *The Emotional Meaning of Instrumental Social Support*. August. <https://doi.org/10.1037/1072-5245.15.3.235>
- Snider, J., Hill, R. P., & Martin, D. (2003). Corporate social responsibility in the 21st century: A view from the world's most successful firms. *Journal of Business Ethics*, 48(2), 175–187. <https://doi.org/10.1023/B:BUSI.0000004606.29523.db>
- Weng, H. H. R., Chen, J. S., & Chen, P. C. (2015). Effects of green innovation on environmental and corporate performance: A stakeholder perspective. *Sustainability (Switzerland)*, 7(5), 4997–5026. <https://doi.org/10.3390/su7054997>
- Xing, G., Xia, B., & Guo, J. (2019). Sustainable cooperation in the green supply chain under financial constraints. *Sustainability (Switzerland)*, 11(21). <https://doi.org/10.3390/su11215977>
- Yen, Y. X. (2018). Buyer–supplier collaboration in green practices: The driving effects from stakeholders. *Business Strategy and the Environment*, 27(8), 1666–1678. <https://doi.org/10.1002/bse.2231>