Table 7. The Direct Effect of CSRD, Investment Efficiency, Innovation, and Firm Value

Exogenous	Endogenous	Path Coefficients	SE	P values
CSRD	Investment Efficiency	-0.071	0.044	0.053
	Innovation	0.273	0.043	<0.001
	Firm Value	0.040	0.044	0.182
Investment Efficiency	Firm Value	-0.182	0.044	<0.001
Innovation	Firm Value	0.217	0.043	<0.001

Notes: * (Significant (alpha (α) =0.05))

In the Table 7. The Direct Effect of CSRD, Investment Efficiency, Innovation, and Firm Value, the effect of CSRD on investment efficiency is insignificant. The effect of CSRD on innovation is significant. The effect of CSRD on firm value is significant. The effect of investment efficiency on firm value is significant. The effect of innovation on firm value is significant.

Table 8. The Indirect Effect of CSRD, Investment Efficiency, Innovation, and Firm Value

Exogenous	Intervening	Endogenous	Indirect Coefficient	SE	T Statistics
CSRD	Investment Efficiency	Firm Value	0.013	0.009	1.503
CSRD	Innovation	Firm Value	0.059	0.015	3.951

In the Table 8. The Indirect Effect of CSRD, Investment Efficiency, Innovation, and Firm Value, the effect of CSRD on firm value through investment efficiency has the T statistics of 1.503, indicating that T statistics < t-table (1.96). Hence, it can be interpreted that the effect of CSRD on firm value through investment efficiency is insignificant.

The effect of CSRD on firm value through innovation has the T statistics of 3.951, indicating that T statistics > t-table (1.96). Hence, it can be interpreted that the effect of CSRD on firm value through innovation is significant.

Direct Effect
Equation 1: EI = -0.071 CSRD
Based on equation 1, it can be inferred that

The direct effect coefficient of CSRD on investment efficiency is -0.071, implying that CSRD has a negative and insignificant effect on investment efficiency. This means that better CSRD tends to reduce investment efficiency.

Equation 2: IN = 0.273 CSRD
Based on equation 2, it can be inferred that

The direct effect coefficient of CSRD on innovation is 0.273, implying that CSRD has a positive and significant effect on innovation. This means that better CSRD tends to increase innovation.

Equation 3: NP = 0.040 CSRD - 0.182 EI + 0.217 IN
Based on equation 2, it can be inferred that

The direct effect coefficient of CSRD on firm value is 0.040, implying that CSRD has a positive and insignificant effect on firm value. This means that better CSRD tends to increase firm value although the increase is not significant.

The direct effect coefficient of investment efficiency on firm value is -0.182, implying that investment efficiency has a negative and significant effect on firm value. This means that higher investment efficiency tends to reduce firm value.

The direct effect coefficient of innovation on firm value is 0.217, implying that innovation has a positive and significant effect on firm value. This means that higher innovation tends to increase firm value

Indirect Effect

The indirect effect coefficient of CSRD on firm value through investment efficiency is 0.013, implying that CSRD through investment efficiency has a positive and insignificant effect on firm value. This means that higher investment efficiency caused by better CSRD tends to increase firm value although the increase is not significant.

The indirect effect coefficient of CSRD on firm value through innovation is 0.059, implying that CSRD through innovation has a positive and significant effect on firm value. This means that higher innovation caused by better CSRD tends to increase firm value.

Table 9. Dominant Influence

Exogenous	Endogenous	Total
CSRD	Investment efficiency	-0.071
CSRD	Innovation	0.273
CSRD	Firm value	0.112
Investment Efficiency	Firm value	-0.182
Innovation	Firm value	0.217

In the Table 9. Dominant Influence describes that variable with the highest total effect on firm value is innovation, with the total effect of 0.217. Therefore, innovation is the most influential or the most dominant variable that influence firm value.