Bulletin of Islamic Economics, Vol. 3 No. 2 (2024) 53-65
Published by Department of Islamic Economics, Universitas Islam Negeri Sunan Kalijaga
e-ISSN 2829-9566

Corporate Social Responsibility as a Moderator of Factors Influencing The Value of Mining Companies Listed in ISSI for The 2018-2022 Period

Nada Tauhida Zaharani[a] and Zulkipli Lessy[a]

[a] *Universitas Islam Negeri Sunan Kalijaga, Yogyakarta, Indonesia*

To Cite This Article:
Zaharani & Lessy (2024). Corporate Social Responsibility as a Moderator of Factors Influencing The Value of Mining Companies Listed in ISSI for The 2018-2022 Period. *Bulletin of Islamic Economics, 3*(2), 53-65.

Abstract: This study aims to examine the influence of liquidity, profitability, and leverage on firm value, and to test whether corporate social responsibility (CSR) can moderate these three variables. Liquidity, profitability, leverage, and CSR disclosure are factors that serve as the basis for investors in considering investments in a company. Firm value reflects the welfare of the company's shareholders. The population in this study consists of 47 mining sector companies listed on ISSI from 2018 to 2022. Using purposive sampling, a sample of 10 companies meeting the criteria was selected. Data analysis was conducted with the aid of E-Views software. Based on the results of data analysis and hypothesis testing, it can be concluded that the liquidity variable (Current Ratio) has a positive effect on firm value (Tobin's Q), and CSR can moderate the effect of liquidity (Current Ratio) on firm value. Meanwhile, other variables, such as profitability (Return On Asset), leverage (Debt to Equity Ratio), profitability moderated by CSR, and leverage moderated by CSR, do not affect firm value (Tobin's Q).

Keywords: *Liquidity, Profitability, Leverage, Firm Value, Corporate Social Responsibility.*

Introduction

Long-term companies are established with the aim of maximizing company value, as an increase in a company's value is accompanied by an increase in the wealth of its owners or shareholders (Mipo, 2022). A healthy company can be identified based on its value, assuming that good company performance reflects a good company value (Lestari et al., 2022). This implies that when a company's value reaches its optimal point, it facilitates the achievement of the company's primary objectives. (C. Wulandari & Efendi, 2021) state that company value can be influenced by various factors, including liquidity, profitability, and leverage.

According to (Agustin Ekadjaja, 2021), a company capable of paying all short-term liabilities on time is considered well-performing by investors. However, this contrasts with the research by (Nurhayati et al., 2019) and (Sheila & Djawoto., 2019), which found that liquidity has a negative effect on company value. This is because a company's high ability to meet short-term obligations using current assets may indicate excess unused funds, implying the company is not maximizing investor welfare.

Profitability is a ratio used to measure a company's ability to generate profits over a specific period (Darmawan, 2020a). Research by oleh Chumaidah & Priyadi (2018); Nadhifah & Mildawati (2019); Raningsih & Artini (2018) suggests that profitability can enhance company value. Conversely, N. M. I. Wulandari & Wiksuana (2017) argue that profitability negatively affects company value, as shareholders tend to value a company's long-term societal contributions over immediate profits (Rachman, 2022).

*Corresponding Author

ntauhida2002@gmail.com (N. T. Zaharani).
https://doi.org/10.14421/bie.2024.032-01

Leverage, or the solvency ratio, illustrates the extent to which a company's debt can finance its assets (Rudangga, 2016). An increase in a company's leverage value poses higher risks (Yuniati et al., 2021). Excessive debt usage can reduce company profits and the amount of dividends distributed.

In addition to contributing to economic growth, companies are also expected to address social responsibilities to enhance their value. For example, companies utilizing natural resources must consider environmental impacts such as waste, pollution, labor, and product safety and quality (Mardianti & Riduwan, 2021). In relation to company value, implementing Corporate Social Responsibility (CSR) initiatives can improve a company's image and lead to increased customer loyalty.

Previous research indicates that the factors influencing company value vary widely, resulting in diverse and inconsistent findings. This inconsistency forms the basis for re-examining the topic, considering the critical importance of company value. Therefore, the author intends to reexamine this issue using liquidity, profitability, and leverage as independent variables and adding CSR as a moderating variable. By incorporating this moderating variable, it is expected to strengthen the influence of the three aforementioned variables on company value.

Based on the research background, this study aims to examine several questions related to factors influencing company value. First, it will test whether liquidity positively impacts company value. Next, it will explore the influence of profitability on company value and determine whether profitability has a positive effect. Additionally, the study will examine whether leverage plays a role in enhancing company value. Finally, it will assess whether CSR can strengthen the influence of liquidity, profitability, and leverage on company value.

Literature Review

Signalling Theory

The signaling theory, first proposed by Spence (1973), is a concept used in economics and finance to explain how companies use certain actions as signals to users of financial statements. These signals aim to communicate information to investors about the company's value, performance, or future prospects. The purpose of this theory is to reduce information asymmetry between companies and external parties. An increase in a company's information asymmetry can lower its value in the eyes of investors. To prevent this, one approach is to provide signals or indicators in the form of financial information and information about social responsibility (Ningrum & Asandimitra, 2017). The relevance of signaling theory to company value lies in the fact that information serves as a positive signal to investors when the company value is favorable.

Stakeholder Theory

The stakeholder theory posits that a company does not operate solely for its own profit but must also provide benefits to its stakeholders. A company is required to understand the wants and needs of its stakeholders. If the company fails to adequately address stakeholder concerns, it can lead to negative effects on the company's image and market share (Wibisono, 2007). Therefore, support from stakeholders plays a crucial role in the sustainability of a company (Setianingrum, 2015).

Legitimacy Theory

Dowling & Pfeffer (1975) stated that legitimacy theory is highly useful for examining the characteristics of a company. According to this theory, if a company wishes to remain accepted by society, it must communicate its social activities by disclosing its social and environmental engagements (Sari & Priantinah, 2018). Corporate social responsibility (CSR) disclosure can

*Corresponding Author

ntauhida2002@gmail.com (N. T. Zaharani).
https://doi.org/10.14421/bie.2024.032-01

enhance a company's legitimacy, as it demonstrates the company's ability to contribute positively to the local community. In other words, a company's acceptance within society serves as a form of legality for the company (Janra, 2015).

Company Value

Husnan (2018) states that company value is the stock price that customers are willing to pay after the stock is sold. Company value serves as a strategy for investors who use stock prices as a benchmark. When stock prices rise, they are accompanied by an increase in company value. An increase in stock prices signals an improvement in the company's value. Company value influences investors' perceptions of a company's profitability; higher net wealth correlates with greater investor welfare (Keown, A. J., Martin, J. D., Petty, J. W., & Scoot, 2010). The value of a company's assets is not solely determined by its stock price. On the contrary, it can be assessed in various ways, the most common being the application of Tobin's Q.

Tobin's Q effectively explains a company's performance by evaluating the growth of market stock prices, managers' skills in analyzing business activities, and the ability to increase investments (Chumaidah & Priyadi, 2018). A high Tobin's Q value indicates greater opportunities for business growth. This is due to a lack of investor confidence in companies whose stock prices exceed their book value.

Liquidity

Liquidity is a measure of how well a business can meet all its financial obligations within the specified payment deadlines using its current assets (Darmawan, 2020b). A company can be considered liquid if it can fully utilize all its financial resources. The current ratio is the liquidity ratio indicator used in this study. The current ratio is a comparison between current assets and current liabilities (Darmawan, 2020b). This ratio represents the extent to which current assets can meet short-term liquidity needs. A high current ratio indicates that the company is increasingly capable of fulfilling its short-term debts. In general, companies aim to maintain a minimum current ratio of 1 to ensure that their current assets cover at least the total short-term liabilities.

Profitability

Profitability ratio is a measure used to describe a company's ability to generate profit over a certain period (Darmawan, 2020b). Profitability can be seen as a reflection of a company's value. The company's ability to provide dividends to investors is assessed based on its profitability. According to signaling theory by Hamidy (2015), if a company's profitability increases investor returns, it will positively impact stock price growth and enhance the company's value. Return on Assets (ROA) is used as a metric to calculate the company's profitability value in this study. According to Kasmir (2014), ROA is a ratio used to estimate a management's ability to achieve profitability and overall managerial efficiency.

Leverage

Companies do not always have sufficient funds to meet the needs and budgets that have been set. Therefore, debt is the most commonly used alternative for companies to fulfill their needs. Leverage (Solvency Ratio) is a measure used to calculate the extent to which a company's assets are financed by debt (Darmawan, 2020b). This refers to the amount of debt a business holds compared to its assets. When a company has a high leverage ratio, the risk of facing losses increases. The measure used in this study to assess a company's leverage is the Debt to Equity Ratio (DER). This ratio can be calculated by comparing total liabilities, including short-term liabilities, with total equity. The lower the resulting ratio, the better a company's ability to meet its long-term debt obligations.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an approach adopted by companies with the aim of addressing social inequalities and environmental damage caused by the operational functions of companies (Lestari et al., 2022). CSR can provide various benefits to its implementers, such as enhancing the company's brand image in the eyes of investors, positioning the company's brand or name in the minds of investors, and increasing sales (Cheng, M. dan Christiawan, 2011). The greater the profits generated by a company, the more likely it is that the company can carry out CSR initiatives. This, in turn, can enhance stakeholder trust in the business, positively impacting the company's value.

AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) has developed CSR items based on Islamic principles. The standard for fulfilling corporate obligations with an Islamic concept is referred to as the Islamic Social Reporting (ISR) index. The development of ISR in Indonesia is still relatively slow, as shown by research conducted by Fitria and Hartanti (2010), which indicates that social responsibility disclosure in some Islamic companies in Indonesia is still limited or can only meet 50% of the maximum score if all items are fully disclosed in the ISR index. Therefore, in this study, corporate social responsibility measurement is conducted using GRI (Global Reporting Initiative) or Social Responsibility Index. A high GRI index indicates high CSR value (Nuswandari et al., 2019). Disclosure of corporate social responsibility is considered by investors when deciding to invest their funds (Sopian et al., 2018).

Based on the theory outlined above, the hypothesis emerges as follows in the research framework:

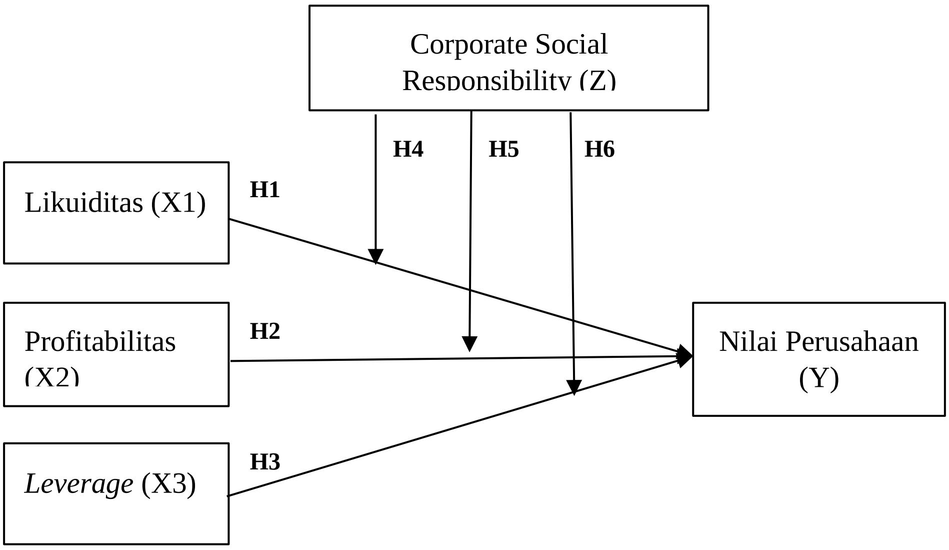

Figure 1. Research Framework

H_1: Liquidity has a positive effect on company value.
H_2: Profitability has a positive effect on company value.
H_3: Leverage has a positive effect on company value.
H_4: Liquidity has a positive effect on company value after being moderated by CSR.
H_5: Profitability has a positive effect on company value after being moderated by CSR.
H_6: Leverage has a positive effect on company value after being moderated by CSR.

*Corresponding Author

ntauhida2002@gmail.com (N. T. Zaharani).
https://doi.org/10.14421/bie.2024.032-01

Methodology

Quantitative research is the type of research used in this study, which is a methodological approach based on a theory used to study specific populations or samples (Sugiyono, 2017). The research object is mining sector companies listed on ISSI for the period 2018-2022. The sampling technique used is purposive sampling with the following criteria:

1. Companies in the mining sector listed in the ISSI for the period 2018-2022.
2. Mining sector companies that continuously publish financial reports and annual reports from 2018-2022.
3. Mining sector companies that disclose corporate social responsibility (CSR) activities in sustainability reports from 2018-2022.

From a total population of 47 companies, 10 companies meet these criteria. Data was collected using a documentation study technique, analyzing secondary data obtained. In this study, the data consists of financial reports and sustainability reports from mining companies listed on ISSI for the years 2018-2022 that have gone public. Data was accessed through the official websites of the respective companies. The data was processed using Eviews 12 software. The analysis method used in this research is panel data regression and Moderated Regression Analysis (MRA). According to Basuki (2021), panel data regression combines time series data and cross-sectional data. MRA, according to (Dharma, S., Jadmiko, P., & Azliyanti, 2020), is used to test moderating variables in research by performing interaction, which involves multiplying the moderating variable and the independent variable. In panel data regression, there are three models that can be used: Common Effect Model (CEM), Random Effect Model (REM), and Fixed Effect Model (FEM). From these three models, the most appropriate one is selected to estimate data through a series of tests, such as Chow Test, Hausman Test, and Lagrange Multiplier Test. After determining the model used, a classical assumption test is conducted, consisting of Multicollinearity Test, Heteroskedasticity Test, and MRA. The equations used in this study include:

$$Y = \alpha + \beta 1\, X1 + \beta 2\, X2 + \beta 3\, X3 + \varepsilon \quad \text{.......} (1)$$
$$Y = \alpha + \beta 1\, X1 + \beta 2\, X2 + \beta 3\, X3 + \beta 1\, X1 * Z + \beta 2\, X2 * Z + \beta 3\, X3 * Z + \varepsilon \quad \text{.......} (2)$$

(1) No participation of a moderating variable
(2) With the participation of a moderating variable and interaction

Where Y = Company Value, α = Constant, β1, β2, β3 = Regression coefficient scales, X1 = CR, X2 = ROA, X3 = DER, Z = Corporate Social Responsibility (CSR), ε = Error.

Results and Discussion

Descriptive Statistical Analysis

Table 1. Descriptive Statistics Test Results

Tabulasi	CR (X1)	ROA (X2)	DER (X3)	CSR (Z)	Tobin's Q (Y)
Mean	1,9556	0,1207	0,9103	0,6350	1,2431
Median	1,7617	0,0654	0,6586	0,6361	1,1442
Maximum	5,6548	0,6027	3,1772	1,0000	2,5968
Minimum	0,2696	-0,0984	0,1133	0,1623	0,5050
Std. Dev	1,0844	0,1531	0,7785	0,1932	0,4889
Observations	50	50	50	50	50

The descriptive statistical results examine several variables: company value as the dependent variable, liquidity (CR), profitability (ROA), and leverage (DER) as independent variables, with Corporate Social Responsibility (CSR) acting as a moderating variable. The data table shows that the sample used in this study consists of 50 observations from 10 companies over a 5-year period (2018-2022).

1. Liquidity, over the five-year period, liquidity has a minimum value of 0.2696 and a maximum value of 5.6548. The average liquidity value in this study is 1.9556, with a standard deviation of 1.0844. A higher mean compared to the standard deviation indicates that the Current Ratio data in this study tends to be less varied.

2. Profitability, over the five-year period, profitability has a minimum value of -0.0984 and a maximum value of 0.6027. The mean profitability value (ROA) is 0.1207 with a standard deviation of 0.1531. The standard deviation in this variable is larger than the mean, indicating that the profitability data (ROA) in this study is quite varied and heterogeneous.
3. Leverage, over the five-year period, leverage has a minimum value of 0.1133 and a maximum value of 3.1772. The mean and standard deviation for this variable are 0.9103 and 0.7785, respectively. The mean value is higher than the standard deviation, indicating that the data tends to be closer to the average and the variation is narrower.
4. CSR (Moderating Variable), Corporate Social Responsibility (CSR) has a minimum value of 0.1623 and a maximum value of 1.0000. The mean for CSR is 0.6350 with a standard deviation of 0.1932. A higher mean compared to the standard deviation suggests that CSR data in this study tends to be less varied.
5. Company Value, over the five-year period, company value has a minimum value of 0.5050 and a maximum value of 2.5968. The mean Tobin's Q is 1.2431, indicating that management has a relatively good performance and potential for increasing investment, with a standard deviation of 0.4889. A higher mean compared to the standard deviation indicates that the CSR data in this study is less varied.

Panel Data Regression Model Selection

Chow Test

Chow test is conducted to determine the most appropriate model to use between the Common Effect Model or the Fixed Effect Model, using the following hypothesis (Caraka, 2017):
H_0 = Common Effect Model
H_a = Fixed Effect Model

Table 2. Chow Test Results

Effects Test	Statistic	d.f	Prob.
Cross-section F	48,536249	(9,37)	0,0000
Cross-section Chi-square	127,496138	9	0,0000

Source: E-Views 12 Output (reprocessed)

Based on the test results, it can be seen that the Cross-section Chi-square probability value produced is < 0.05, which is equal to 0.0000. Therefore, it is concluded that H_0 is rejected and H_a is accepted, meaning that the Fixed Effect Model is chosen.

Hausman Test

Hausman test is used to determine the appropriate model between the fixed effect model or random effect model (Caraka, 2017). The hypotheses are as follows:
H_0 = Random Effect Model
H_a = Fixed Effect Model

Table 3. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f	Prob.
Cross-section random	0,124391	3	0,9888

Source: E-Views 12 Output (reprocessed)

From the Hausman test table, it can be seen that the value of the Cross-section random prob. is 0.9888, which is greater than 0.05. Therefore, it can be concluded that the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. This means that the best model is the Random Effect Model. From this, it can be observed that there is inconsistency in the results obtained from the

*Corresponding Author

ntauhida2002@gmail.com (N. T. Zaharani).
https://doi.org/10.14421/bie.2024.032-01

Chow test and Hausman test. Therefore, a further test using the Lagrange Multiplier test needs to be conducted.

Lagrange Multiplier Test

This test serves to determine the best model between the Random Effect Model and the Common Effect Model. Subsequently, hypotheses are formulated for testing, which are:

H_0 = Common Effect Model
H_a = Random Effect Model

Table 4. Lagrange Multiplier Test Results

Model Uji	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	80,87592	2,522567	83,39848
Prob. (p-value)	(0,0000)	(0,1122)	(0,0000)

Source: E-Views 12 Output (reprocessed)

Table 4 provides information that the Cross-section Breusch-Pagan probability is 0.0000, which is less than 0.05. This indicates that H0 is rejected and Ha is accepted. Therefore, it can be concluded that the best estimation model for regressing panel data is the random effect model.

Classic Assumption Test
Multicollinearity Test

This test aims to investigate the presence or absence of a high correlation between the variables being studied. The multicollinearity test uses correlation values as a reference. It is said that multicollinearity does not occur when the correlation value is < 0.90. The results of the multicollinearity test in this study are:

Table 5. Multicollinearity Test Results

	CR	ROA	DER
CR	1,000000	-0,293812	0,298694
ROA	-0,293812	1,000000	-0,389112
DER	0,298694	-0,389112	1,000000

Source: E-Views 12 Output (reprocessed)

From Table 5, it is known that all correlation values for each variable are < 0.90. This indicates that there is no indication of multicollinearity between the variables.

Heteroskedasticity Test

This test aims to investigate whether there are differences in residual variances within the model from one research to the next. To examine the presence of heteroskedasticity, a scatter plot (ZPRED and SRESID) can be used. In this study, a Random Effect Model estimation is employed. The advantage of using this model is that it eliminates heteroskedasticity. Therefore, heteroskedasticity testing is not conducted in this research. This type of model is referred to as the error component model (ECM) or Generalized Least Squares (GLS) technique.

Panel Data Regression Analysis

Panel data regression analysis in this study is conducted to test H1, H2, and H3, aiming to determine the impact of independent variables (liquidity, profitability, and leverage) on company value. Below are the results of the panel data regression analysis using the Random Effect Model method:

Table 6. Panel Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1,369255	0,484675	2,825099	0,0070
CR	0,025426	0,007093	3,584406	0,0008
ROA	-0,058251	0,150527	-0,386982	0,7006
DER	0,344099	0,204789	1,680260	0,0997

Source: E-Views 12 Output (reprocessed)

Based on the data in Table 6, the regression equation is:

$$Y = 1{,}369255 + 0{,}025426 * CR - 0{,}058251 * ROA + 0{,}344099 * DER + \varepsilon$$

Interpretation:

1. Constant (C) 1.369255 indicates that when the average variable remains constant, the average company value level increases by 137%.
2. Regression coefficient for CR of 0.025426 with a positive direction means that a 1-unit increase in the CR ratio can lead to a 2.5% increase in company value.
3. Regression coefficient for ROA of -0.058251 with a negative direction indicates that a 1-unit increase in the ROA ratio can result in a 5.8% decrease in company value.
4. Regression coefficient for DER of 0.344099 with a positive direction suggests that a 1-unit increase in the DER ratio can lead to a 34.4% increase in company value.

Coefficient Determination Test

The coefficient of determination is defined as a test used to measure the extent to which the independent variable has the potential to describe the dependent variable.

Table 7. Coefficient Determination Test Results

Item Pengujian	Nilai
R-square	0,951908
Adjusted R-square	0,943892

Source: E-Views 12 Output (reprocessed)

The Adjusted-squared value written in the regression model in this study is 0.943892. This means that the company's value can be explained by independent variables such as liquidity, profitability, and leverage by 94.3%, while the remaining 5.7% is explained by factors outside the model.

F Test

The F-statistic test aims to investigate whether all independent variables in the selected estimation model can simultaneously or jointly influence the dependent variable. The results of the F-test in this study are:

Table 8. F Test Results

Item Pengujian	Nilai
F-Statistik	118,7600
Prob (F-Statistik)	0,000000

Source: E-Views 12 Output (reprocessed)

The F-test results in Table 8 provide information that the F-statistic value is 118.7600, and the Prob (F-statistic) value is 0.000000. Since the Prob (F-statistic) is less than 0.05, this indicates that all independent variables simultaneously have a significant effect on the dependent variable. In other words, liquidity (CR), profitability (ROA), and leverage (DER) collectively influence the value of mining companies listed in the ISSI during the research period.

Significance Test (t-test)

The t-test (Partial) is conducted to investigate whether there is a partial (individual) effect of independent variables on the dependent variable. The results of the t-test for this study are as follows:

Table 9. t-Test Results

Variabel	Koefisien	Std. Error	t-Statistic	Prob.
C	1,369255	0,484675	2,825099	0,0070
CR	0,025426	0,007093	3,584406	0,0008
ROA	-0,058251	0,150527	-0,386982	0,7006
DER	0,344099	0,204789	1,680260	0,0997

*Corresponding Author

ntauhida2002@gmail.com (N. T. Zaharani).
https://doi.org/10.14421/bie.2024.032-01

Source: E-Views 12 Output (reprocessed)

The Effect of Liquidity on Company Value

The liquidity variable (CR) has a t-probability value of 0.0008, which is less than 0.05. Therefore, H1 is accepted, meaning that CR, which serves as a proxy for liquidity, has a significant positive impact on company value. Companies with a high level of liquidity are considered capable of settling short-term debts. As a result, companies receive a positive perception from investors, which contributes to an increase in company value. This observation aligns with previous research conducted by (Oktaviarni et al., 2019) and (Sukarya & Baskara, 2018), which indicate that higher liquidity levels lead to higher company value, as reflected by the company's market share value.

This research is supported by signaling theory, where high liquidity can be interpreted as a positive signal that provides important information to stakeholders regarding the quality and prospects of the company. Additionally, good liquidity levels can indicate that the company is capable of sustaining itself in the long term. Liquidity availability provides financial protection and suggests that the company can manage financial risks without harming shareholders.

The Effect of Profitability on Company Value

In this study, the profitability variable (ROA) has a probability value of 0.7006 > 0.05. Therefore, H2 is rejected, meaning that the profitability variable does not significantly influence the company's value. The research findings indicate that profitability measured using ROA does not impact company value. This suggests that the size of profitability achieved by the company does not affect its value. This finding is supported by research conducted by (Kolamban et al., 2020), (Lukman Suryadi, 2020), and (Yuliyanti et al., 2022), which also found that profitability (ROE) does not influence company value.

Profitability growth can reduce company value. Companies that experience an increase in profits but retain those profits as retained earnings, not distributing them to investors, are perceived by shareholders as a negative signal, impacting the company's value. This aligns with the legitimacy theory, which states that while profitability is important, organizations or companies must also consider its impact on other stakeholders.

The Effect of Leverage on Company Value

The leverage variable (DER) has a probability value of 0.0997 > 0.05. This means that H3 is rejected, and it can be concluded that the leverage variable does not have a significant impact on company value. In stakeholder theory, it is explained that companies, when operating, should not only focus on achieving the entity's goals but also consider the interests of creditors. Based on the data analysis, it is evident that the level of leverage does not affect company value, indicating that this finding does not support stakeholder theory. In other words, creditors' decisions to provide loans are not based on the level of leverage, whether high or low.

***Moderated Regression Analysis* (MRA) Test**

This test aims to determine whether Corporate Social Responsibility (CSR) can moderate the relationship between liquidity, profitability, and leverage on company value. The results of the MRA test conducted in this study are:

Table 10. *Moderated Regression Analysis* (MRA) Test Results

Variabel	Koefisien	Std. Error	t-Statistic	Prob.
C (Konstanta)	2,142069	0,314551	6,809931	0,0000
Interaksi 1 (CR*CSR)	1,314938	0,050561	26,00678	0,0000
Interaksi 2 (ROA*CSR)	-0,001462	0,028093	-0,052053	0,9587
Interaksi 3 (DER*CSR)	0,278928	0,223272	1,249275	0,2185

Source: E-Views 12 Output (reprocessed)

Based on the results of the MRA test output, the following can be concluded:

Corporate Social Responsibility moderates the effect of liquidity on company value

The interaction between CR and CSR has a coefficient value of 1.314938, indicating a positive direction. This means that every 1 unit increase in the interaction of CR and CSR will increase company value by 1.314938 units. The significance value or Prob. for the interaction is 0.0000. Since this value is < 0.05, it indicates that this interaction has a significant positive effect. Therefore, it is concluded that H4 is accepted, and CSR is capable of strengthening the relationship between liquidity (CR) and company value.

These findings are in line with the legitimacy theory, which states that a company must gain legitimacy from the local community by disclosing its social activities, among others. A company that is considered liquid and has significant social responsibility will receive recognition and added value from the community, especially investors. For potential investors, this serves as a positive signal encouraging them to invest in the company, ultimately impacting company value. This research finding is reinforced by previous studies by (Andreas et al., 2023), (Rachman, 2022), and (Rahma & Munfaqiroh, 2021), which state that CSR strengthens the relationship between liquidity and company value.

Corporate Social Responsibility moderates the effect of profitability on company value

The interaction between profitability (ROA) and CSR has a coefficient with a negative direction of -0.001462. This implies that for every 1-unit increase in the interaction between ROA and CSR, the company's value decreases by 0.001462 units. The significance or probability value for interaction 2 is 0.9587. This probability is > 0.05, meaning H5 in this study is rejected because CSR is unable to strengthen the relationship between ROA, which is a proxy for Profitability, and Company Value.

This is because investors focus solely on a company's potential to generate profits and disregard CSR as a basis for making investment decisions (Yanto, 2018). Investors believe that CSR activities lead to increased company burdens, which reduce profits and impact the amount of dividends distributed to investors. This becomes a negative signal for investors, as it creates a negative perception in the eyes of investors who seek returns from every investment. This finding is reinforced by research conducted by (Ardian & Wahyudi, 2023), (Lestari et al., 2022), and (Rachman, 2022).

The findings of this study, theoretically, contradict the legitimacy theory which states that CSR activities undertaken by companies can gain recognition for the company from stakeholders. However, these findings are supported by stakeholder theory, which asserts that companies seeking long-term sustainability must meet the needs and wants of their stakeholders.

Corporate Social Responsibility moderates the effect of leverage on company value

The interaction between leverage (DER) and CSR has a coefficient value with a positive direction of 0.278928. This means that for every 1-unit increase in the interaction between DER and CSR, the company's value increases by 0.278928 units. The significance or probability value obtained is 0.2185. Since this probability is greater than 0.05, H6 in this study is rejected, meaning that CSR does not strengthen the relationship between DER (proxy for leverage) and Company Value.

High debt usage combined with high CSR disclosure is indicated to damage a company's competitiveness, impacting its value (Putra & Sunarto, 2021). When a company's leverage level is high, company managers tend to reduce CSR disclosures to avoid negative perceptions from stakeholders (Lestari et al., 2022). This finding is supported by (Dewi & Suputra, 2019; Hardian & Asyik, 2019; Lestari et al., 2022) stating that CSR cannot strengthen the influence between leverage (DER) and company value.

Theoretically, this finding contrasts with the legitimacy theory mentioned in research regarding the impact of leverage on company value and CSR as a moderating variable. This theory suggests that a company holds high value when it effectively addresses social and environmental issues (G & Sapari, 2023).

Conclusion

Based on the results of this study, it can be concluded that the liquidity variable (CR), profitability (ROA), and Leverage (DER) simultaneously affect the value of mining companies listed in ISSI during the 2018-2022 period. Partially, it is known that the liquidity variable has a positive impact on company

*Corresponding Author

ntauhida2002@gmail.com (N. T. Zaharani).
https://doi.org/10.14421/bie.2024.032-01

value. Conversely, profitability and leverage do not have an effect on company value. The moderation test results indicate that Corporate Social Responsibility (CSR) can moderate by strengthening the influence of liquidity, but CSR is unable to moderate the impact of profitability and leverage on company value in the mining sector listed in ISSI for the 2018-2022 period. Based on this research, it is expected that companies will improve their financial performance, especially concerning liquidity, profitability, leverage, and company value.

References

Agustin Ekadjaja, L. S. (2021). Pengaruh Profitabilitas, Likuiditas, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. Jurnal Paradigma Akuntansi, 3(1), 92. https://doi.org/10.24912/jpa.v3i1.11409.

Andreas, N. Y., Fauzi, A., & Sumiati, A. (2023). Pengaruh Likuiditas Dan Profitabilitas Terhadap Nilai Perusahaan Dengan Corporate Social Responsibility Sebagai Variabel Moderasi Pada Perusahaan Manufaktur Yang Terdaftar Di Bei. Alamat Institusi Jl. Rawamangun Muka.

Ardian, V., & Wahyudi, I. (2023). Pengaruh Profitabilitas, Likuiditas, Leverage, dan Aktiva Terhadap Nilai Perusahaan yang Dimoderasi Corporate Social Responsibility. Jurnal Mahasiswa, 5(1), 212–236.

Basuki, A. T. (2021). Analisis Data Panel Dalam Penelitian Ekonomi dan Bisnis. PT Rajagrafindo Persada.

Caraka, R. E. (2017). Pengantar Spasial Data Panel. Team WADE Publish.

Cheng, M. dan Christiawan, Y. J. (2011). Pengaruh Pengungkapan Corporate Social Responsibility terhadap Abnormal Return. Jurnal Akuntansi Dan Keuangan., 13(2), 24–36.

Chumaidah, & Priyadi, M. P. (2018). Pengaruh Profitabilitas dan Size Terhadap Nilai Perusahaan Dengan CSR Sebagai Variabel Pemoderasi. Jurnal Ilmu Dan Riset Akuntansi, 7(3), 1–20.

Darmawan. (2020). Dasar-Dasar Memahami Rasio dan Laporan Keuangan. UNY Press.

Dewi, N. M. L., & Suputra, I. D. G. D. (2019). Pengaruh Profitabilitas dan Leverage pada Nilai Perusahaan dengan Corporate Social Responsibility Sebagai Variabel Pemoderasi. E-Jurnal Akuntansi, 28(1).

Dharma, S., Jadmiko, P., & Azliyanti, E. (2020). Aplikasi SPSS dalam Analisis Multivariates. LPPM Universitas Bung Hatta.

Dowling, J., & Pfeffer, J. (1975). Organizational Legitimacy: Social Values And Organizational Behavior. Pacific Sociological Journal Review, 18(1), 122–136.

G, M. D. P. D., & Sapari. (2023). Pengaruh Profitabilitas, Solvabilitas, dan Likuiditas terhadap Nilai Perusahaan yang dimoderasi Corporate Social Responsibility. Jurnal Ilmu Dan Riset Akuntansi, 12(3).

Hamidy, R. D. (2015). Pengaruh Struktur Modal Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Mediasi Pada Perusahaan Properti Dan Real Estate Di Bursa Efek Indonesia. E-Jurnal Ekonomi Dan Bisnis Universitas Udayana, 4(10), 665–682.

Hardian, A. P., & Asyik, N. F. (2019). Kinerja Keuangan dan Ukuran Perusahaan terhadap Nilai Perusahaan, CSR sebagai Variabel Moderasi. Jurnal Ilmu Dan Riset Akuntansi, 5(9).

Husnan, S. dan E. P. (2018). Manajemen Keuangan – Teori dan Penerapan (2nd ed.). BPFE.

Janra, D. M. (2015). Pengaruh Kepemilikan Manajerial, Leverage, Profitabilitas dan Ukuran Perusahaan Terhadap Pengungkapan Informasi Pertanggungjawaban Sosial Perusahaan (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2010-2013). Jurnal Akuntansi Universitas Negeri Padang.

Kasmir. (2014). Analisis Laporan Keuangan. RajaGrafindo Persada.

Keown, A. J., Martin, J. D., Petty, J. W., & Scoot, D. F. J. (2010). Manajemen Keuangan : Prinsip dan Penerapan Jilid 2 (10th ed.). Indeks.

Kolamban, D. V, Murni, S., & Baramuli, D. N. (2020). Analisis Pengaruh Leverage, Profitabilitas Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Pada Industri Perbankan Yang Terdaftar Di Bei. Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi, 8(3), 174–183.

Lestari, E. S., Rinofah, R., & Maulida, A. (2022). Pengaruh profitabilitas, leverage, kepemilikan manajerial terhadap nilai perusahaan dengan pengungkapan csr sebagai variabel moderating. Forum Ekonomi, 24(1), 30–44. https://doi.org/10.30872/jfor.v24i1.10390.

Lukman Suryadi, A. T. (2020). Pengaruh Profitabilitas, Likuiditas, Ukuran Perusahaan, Terhadap Nilai Perusahaan. Jurnal Paradigma Akuntansi, 2(1), 108. https://doi.org/10.24912/jpa.v2i1.7138.

Mardianti, D. A., & Riduwan, A. (2021). Pengaruh Leverage, Profitabilitas, Dewan Komisaris, dan Ukuran Perusahaan Terhadap Corporate Social Responsibility. Jurnal Ilmu Dan Riset Akuntansi.

Mipo, M. (2022). Pengaruh Profitabilitas, Leverage, Ukuran Perusahaan Terhadap Nilai Perusahaan Dengan CSR Sebagai Moderating Variable Pada Perusahaan Manufaktur di BEI. Owner, 6(1), 736–745. https://doi.org/10.33395/owner.v6i1.614.

Nadhifah, H., & Mildawati, T. (2019). Pengaruh Profitabilitas, Leverage, dan Likuiditas Terhadap Nilai Perusahaan. Jurnal Riset Akuntansi Dan Keuangan, 3(3), 1–17.

Ningrum, U. N., & Asandimitra, N. (2017). Pengaruh Kinerja Keuangan, Struktur Modal dan Ukuran Perusahaan Terhadap Nilai Perusahaan Dengan GCG dan CSR Sebagai Variabel Moderating Pada Perusahaan Peringkat Pertama Ara, Isra dan Peringkat Emas Proper Yang Listing di BEI Periode 2011-2015. Jurnal Ilmu Manajemen, 5(3), 1–14.

Nurhayati, I., Poerwati, T., & Kartika, A. (2019). Dampak Moderasi Profitabilitas dan Leverage Terhadap Pengaruh CSR Pada Nilai Perusahaan di Indonesia. Prosiding SENDI_U, 7(1), 978–979.

Nuswandari, C., Sunarto, S., Jannah, A., & Ikromudin, I. (2019). Corporate Social Responsibility Moderated the Effect of Liquidity and Profitability on the Firm Value. 86(Icobame 2018), 87–90. https://doi.org/10.2991/icobame-18.2019.19.

Oktaviarni, F., Murni, Y., & Suprayitno, B. (2019). Pengaruh Profitabilitas, Likuiditas, Leverage, Kebijakan Dividen, dan Ukuran terhadap Nilai Perusahaan. Jurnal Akuntansi, 9(1), 1–16.

Rachman, M. R. (2022). Pengaruh Profitabilitas, Likuiditas, dan Leverage terhadap Nilai Perusahaan dengan Corporate Social Responsibility Sebagai Variabel Pemoderasi. Jurnal Ilmu Dan Riset Akuntansi, Volume 11(Nomor 1).

Rahma, A. N., & Munfaqiroh, S. (2021). Pengaruh Profitabilitas, Likuiditas, dan Leverage terhadap Nilai Perusahaan dengan Corporate Social Responsibility (CSR) sebagai Variabel Moderasi. Jurnal Manajemen Dirgantara, Vol. 14(No. 2).

Raningsih, N. K., & Artini, L. G. S. (2018). Pengaruh Profitabilitas Terhadap Nilai Perusahaan dengan Corporate Social Responsibility sebagai Pemoderasi. E-Jurnal Ekonomi Dan Bisnis Universitas Udayana, 7(8), 1997–2026.

Rudangga, I. G. N. G. & S. G. M. (2016). Pengaruh Ukuran Perusahaan, Leverage, dan Profitabilitas terhadap Nilai Perusahaan. E-Jurnal Manajemen Unud, 5.

Sari, P. Y., & Priantinah, D. (2018). Pengaruh Kinerja Keuangan dan Corporate Social Responsibility (CSR) Terhadap Nilai Perusahaan pada Bank yang Terdaftar di BEI Periode 2011-2015. Jurnal Nominal, 7(1).

Setianingrum, W. A. (2015). Pengaruh Corporate Social Responsibility Terhadap Nilai Perusahaan dengan Profitabilitas sebagai Variabel Moderasi pada Perusahaan Manufaktur yang Terdaftar di BEI.

Sheila, R. M., & Djawoto. (2019). Pengaruh Likuiditas, Profitabilitas dan Leverage Terhadap Nilai Perusahaan Foods and Beverages. Jurnal Ilmu Dan Riset Manajemen, 8(2), 1–19.

Sopian, A., Mulya, H., & Mulya, H. (2018). The Impact of Corporate Social Responsibility Disclosure on Firm Value. International Journal of Scientific Research and Management (IJSRM), 6(11), 813–823. https://doi.org/10.18535/ijsrm/v6i11.em01.

Spence, M. (1973). Job Market Signaling. The Quarterly Journal of Economics, 87(3), 355–374.

Sugiyono. (2017). Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Alfabeta CV.

Sukarya, I. P., & Baskara, I. G. K. (2018). Pengaruh Profitabilitas, Leverage, Dan Likuiditas Terhadap Nilai Perusahaan Sub Sektor Food and Beverages. E-Jurnal Manajemen Universitas Udayana, 8(1), 439. https://doi.org/10.24843/ejmunud.2019.v08.i01.p16.

Wibisono, D. (2007). Manajemen Kinerja Konsep, Desain, dan Teknik Meningkatkan Daya Saing Perusahaan (1st ed.). Erlangga.

*Corresponding Author

ntauhida2002@gmail.com (N. T. Zaharani).

https://doi.org/10.14421/bie.2024.032-01

Wulandari, C., & Efendi, D. (2021). Pengaruh Profitabilitas Terhadap Nilai Perusahaan Dengan Corporate. Jurnal Ilmu Dan Riset Akuntansi, 1(2), 128–135.

Wulandari, N. M. I., & Wiksuana, I. G. B. (2017). Peranan Corporate Social Responsibility Dalam Memoderasi Pengaruh Profitabilitas, Leverage, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. E-Jurnal Manajemen Universitas Udayana, 6(3), 1278–1311.

Yanto. (2018). Effect of Corporate Social Responsibility and Good Corporate Governance on the Value of Company with Profitability as Moderating Variables. JAAF (Journal of Applied Accounting and Finance), 2(1).

Yuliyanti, L., Waspada, I., Sari, M., & Nugraha, N. (2022). The Effect of Liquidity, Leverage, and Profitability on Firm Value with Firm Size as Moderating Variable. Proceedings of the 6th Global Conference on Business, Management, and Entrepreneurship (GCBME 2021), 657(Gcbme 2021), 88–92. https://doi.org/10.2991/aebmr.k.220701.019.

Yuniati, T., Prasetyo, E. T., & Husada, C. (2021). Pengaruh Kepemilikan Manajerial, Leverage dan CSR Terhadap Nilai Perusahaan (Studi Kasus Perusahaan Jasa di Indonesia).