THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY & CAPITAL STRUCTURE ON COMPANY VALUE MODERATED PROFITABILITY AND FIRM SIZE

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Keywords	ABSTRACT
Corporate Social Responsibility, Capital Structure, Profitability, Firm Size, Firm Value	The purpose of this study is to analyze the influence of corporate social responsibility (CSR) and capital structure on company value with profitability and firm size as moderation variables. This study uses secondary data in the form of annual reports on the non-primary consumer, transportation, industrial, energy, health, and technology sectors listed on the Indonesia Stock Exchange in 2021 - 2023. The sample of companies studied is 154 companies with 462 data. The results show that the combination of independent variables, profitability as moderating variables, and the interaction of independently variable with moderation can affect the company's value by 71.79%. The significance values of CSRE, DAR, SIZE, CSR with firm size (CSRE x SIZE) and Capital Structure With Firm Size (DAR x SIZE) have values of 0.3724, 0.6024, 0,3405, 0.4334, and 0.6602 > 0.05. The combination of independently variables, profitability, and capital structures with firm sizes have values 0.1827, 0.3435, 0.4335, and 0.663, respectively. The impact of CSR on firm value is moderated by profitability, while firm size moderates the influence by capital structure. Furthermore, examining the role of different types of CRS activities or varying approaches to capital structure could provide insights into why certain strategies might succeed or fail in enhancing company value.

INTRODUCTION

In 2023, the number of investors in Indonesia increased by 18%, reaching 12.16 million, largely due to the socialization, education, and literacy efforts by the Indonesia Stock Exchange (IDX) (Santika, 2023). The Jakarta Composite Stock Price Index (JCI) also exhibited a positive trend, supported by the strong performance of major banks and contributions from various other sectors (Kartika, 2023). Although 79 companies conducted Initial Public Offerings (IPOs) that year, raising a total of IDR 54.14 trillion, the majority of IPO stocks performed poorly, with only 28 showing positive returns (Andrianto, 2023; Sadya, 2023). Additionally, while some sectoral indices were in the green, most sectors, including non-primary consumer goods, transportation, and technology, ended in the red zone (Sadya, 2023).

The value of a company is often associated with the stock price. A high share price signals the company's success rate and increases investor confidence in future performance and prospects (Wiratno & Yustrianthe, 2022). If a company's performance is strong, the stock price tends to increase, while poor performance will decrease the stock price (Ramadhan & Putri, 2023). The value of a company is measured by the price-to-book value (PBV) ratio (Hermawan et al., 2023). A company's activities can affect stock prices, causing fluctuations in value and the occurrence of positive or negative abnormal returns (Juniarti et al., 2021; Pandey et al., 2022).

Corporate Social Responsibility (CSR) disclosure can maximize corporate value by reducing the negative impact of operational activities and maintaining relationships with the community

(MACHMUDDAH et al., 2020). CSR can also reduce the negative impact on stock prices during adverse company-related events (Ouyang et al., 2023). CSR can be seen as an attractive added value for potential investors (Christie & Breliastiti, 2022). Investors respond positively to good environmental and social performance, which can improve the company's image, reputation, and long-term competitiveness, thereby increasing the company's value (Ardillah et al., 2022; Wu et al., 2023). The implementation of CSR activities requires funds referred to as CSR expenditure. While CSR spending can sometimes have a negative impact on a company's bottom line, its benefits to society can result in a positive response that increases the company's value (Adlah & Febrianto, 2023). CSR is measured by CSR expenditure (Adlah & Febrianto, 2023).

Funding decisions are one of the most important decisions in a company because they have a long-term impact on the company's performance, profitability, liquidity, and value (Almomani et al., 2022). The company's policy decision on the source of capital financing is called the capital structure (Asih & Budidarma, 2023). Capital structure is a major concern in a company's long-term financial strategy (Neves et al., 2020). Improper capital structure can increase the risk of financial difficulties (Giovanni et al., 2022). Capital structure theory explains that the optimal capital structure, which is determined by a company's financial policy, aims to maximize the value of the company. Managers must choose the capital structure that most benefits shareholders to achieve the highest corporate value (Hirdinis, 2019). Capital structure is measured by the debt-to-asset ratio (DAR) (Almomani et al., 2022).

Previous research has shown mixed results. Several studies have stated that CSR has a positive effect on company value (Bose et al., 2020; Hermeindito, 2022; Widnyana et al., 2024; Zahara et al., 2019), while other studies state that CSR has no effect on company value (Adlah & Febrianto, 2023; Hermawan et al., 2023). Research on capital structure also shows mixed results, with some studies stating that capital structure has a positive effect on company value (Hirdinis, 2019; Widnyana et al., 2024), while others state that capital structure has no effect (Almomani et al., 2022).

Profitability is the end result of various policies and decisions taken by the company and is important for maintaining business growth and strengthening the company's financial condition (Hermawan et al., 2023). High profitability can attract investors' attention and increase the company's value (Tjakrawala & Septiani, 2020). Profitability indicators are an important part of investment accountability (Setiawan et al., 2021). Profitability is measured by return on assets (ROA) (Riyadh et al., 2022). Research by Riyadh et al. (2022), Hermawan et al. (2023), and Kristanti (2022) states that profitability moderates the influence of CSR on company value. Research by Hidayat et al. (2020) and Bahriah et al. (2022) states that profitability moderates the influence of capital structure on company value.

The size of a company, measured by total assets, reflects the growth of the company which affects the positive response from investors and the increase in the value of the company. Large companies have an easier time obtaining internal and external funding (Hirdinis, 2019; Utami, 2023). The larger the size of the company, the more assets can be used as collateral for debts so that the amount of corporate debt tends to increase (Santoso & Pratiwi, 2023). Company size moderates the influence of CSR and capital structure on company value (Handayati et al., 2022; Neves et al., 2020; Octoriawan & Rusliati, 2019; Siregar et al., 2023; Utami, 2023).

The purpose of this study is to analyze the influence of corporate social responsibility and capital structure on company value with profitability and firm size as moderation variables. The research contribution of this study lies in its examination of how corporate social responsibility (CSR) and capital structure affect company value, with a particular focus on the moderating roles of profitability and firm size. By investigating these interactions, the study adds to the existing body of knowledge on the determinants of company value, providing insights into how CSR and capital structure can influence a firm's market performance depending on its profitability and size. This could be particularly useful for companies and investors in strategizing their CSR initiatives and capital structure decisions to optimize company value.

METHODS

This research method uses quantitative descriptive. In support of the research results, tests were carried out using panel data regression analysis and Moderated Regression Analysis (MRA). Analytical tests were also carried out in the form of descriptive statistics, classical assumption tests (multicollinearity test and heteroscedasticity test), statistical tests (t test and F test) and determination coefficients. This study uses secondary data in the form of annual reports on the non-primary consumer,

transportation, industrial, energy, health, and technology sectors listed on the Indonesia Stock Exchange in 2021 – 2023. The population of companies is 414 and the sample of companies studied is 154 companies with 462 data.

RESULTS
Descriptive Statistical Test

The number of companies used in the non-primary consumer, transportation, industrial, energy, health and technology sectors listed on the Indonesia Stock Exchange in 2021 – 2023 is 414 companies. However, with the criteria set, there are only 154 companies that can be used for a period of 3 years so that the observation data in the study is 462.

The descriptive statistics results processed using Eviews 12, presented in Table 1, highlight the variability in company value (PBV), corporate social responsibility expenses (CSRE), capital structure (DAR), profitability (ROA), and company size (SIZE). The average values for these variables are 1.967603 (PBV), 19.82691 (CSRE), 0.397927 (DAR), 0.052580 (ROA), and 28.66186 (SIZE). The data shows significant differences among companies in market valuation, CSR spending, and leverage. Some companies have extremely low or high valuations, with PBV values ranging from near zero to over 32. CSRE values reflect diverse strategies, with some companies incurring no CSR costs and others focusing heavily on CSR. DAR values range from low leverage, indicating self-funding, to high leverage, indicating significant financial risk. ROA reveals both losses and profits, with a maximum loss of 19.93% and a maximum profit of 48.77%. The SIZE variable shows variation in company size across different industries, reflecting diverse business strategies and sector characteristics.

Table 1. Results of Descriptive Statistical Test Analysis

	Obs.	Mean	Median	Max	Min	Std. Dev.
Y_PBV	462	1.967603	1.112647	32.62409	0.000130	2.902341
X1_CSRE	462	19.82691	20.07536	27.41349	0.000000	4.461470
X2_DAR	462	0.397927	0.385106	0.913204	0.002614	0.212632
M1_ROA	462	0.052580	0.041196	0.487738	-0.199333	0.086372
M2_SIZE	462	28.66186	28.64657	33.73062	24.80725	1.744256

Source: Data processed by researchers (2024)

Test Results of Panel Data Regression Model
Chow Test

Table 2. Chow Test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	8.365074	(153,304)	0.0000
Cross-section Chi-square	762.572673	153	0.0000

Source: EViews 12 (2024) Results

From the results of the chow test, the probability value of cross-section F is 0.0000. It can be concluded that 0.0000 < 0.05 so the model chosen from this test is the fixed effect model.

Hausman Test

Table 3. Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	16.881049	4	0.0020

Source: EViews 12 (2024) Results

From the results of the hausman test, the random cross-section probability value is 0.0020. It can be concluded that $0.0020 < 0.05$ so the model chosen from this test is the fixed effect model.

Fixed Effect Model (FEM) Test

In looking at the relationship between independent variables and dependents, the regression model used is:

Model 1. $PBV = \alpha + \beta1 CSRE + \beta2 DAR + \varepsilon$

Table 4. Uncle FEM

Dependent Variable: Y_PBV
Method: Panel Least Squares
Date: 07/28/24   Time: 16:40
Sample: 2021 2023
Periods included: 3
Cross-sections included: 154
Total panel (balanced) observations: 462

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.009618	0.917010	-0.010489	0.9916
X1 CSRE	0.088415	0.035742	2.473680	0.0139
X2 DAR	0.563478	1.579501	0.356745	0.7215

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.812108	Mean dependent var	1.967603
Adjusted R-squared	0.716934	S.D. dependent var	2.902341
S.E. of regression	1.544159	Akaike info criterion	3.970181
Sum squared resid	729.6348	Schwarz criterion	5.366606
Log likelihood	-761.1118	Hannan-Quinn criter.	4.519964
F-statistic	8.532883	Durbin-Watson stat	2.013302
Prob(F-statistic)	0.000000		

Source: EViews 12 (2024) Results

Classical Assumption Test

After conducting the results of the descriptive statistical test, the model chosen was the fixed effect (FEM) model. In Septianingsih (2022), that in the classical assumption test on panel data regression only uses the multicollinearity test and the heteroscedasticity test. So in the FEM model, the tests used are multicollinearity test and heteroscedasticity test.

Multicollinearity Test

Table 5. Multicollinearity Test

	X1 CSRE	X2 DAR	M1 ROA	M2 SIZE
X1 CSRE	1.000000	0.092418	0.281283	0.526688
X2 DAR	0.092418	1.000000	-0.202139	0.179826
M1 ROA	0.281283	-0.202139	1.000000	0.289744
M2 SIZE	0.526688	0.179826	0.289744	1.000000

Source: EViews 12 (2024) Results

In the Pair Wise Correlation test method, the value of the correlation coefficient must be less than 0.80 to be declared to pass the multicollinearity test. Table 5 shows that there is no correlation between variables where the value of the relationship between each variable < 0.80. It can be concluded that it passed the multicollinearity test.

Heteroscedasticity Test

Table 6. Heteroscedasticity Test

Dependent Variable: RESID2
Method: Panel Least Squares
Date: 07/28/24   Time: 16:32
Sample: 2021 2023
Periods included: 3
Cross-sections included: 154
Total panel (balanced) observations: 462

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	35.86177	70.81184	0.506438	0.6129
X1_CSRE	0.247394	0.151748	1.630295	0.1041
X2_DAR	3.031200	7.055726	0.429608	0.6678
M1_ROA	-2.164048	7.970917	-0.271493	0.7862
M2_SIZE	-1.406949	2.498927	-0.563021	0.5738

Source: EViews 12 (2024) Results

Heteroscedasticity testing can use the Breusch-Pagan-Godfrey test, the variable probability value must be more than 0.05 to be declared to pass the heteroscedasticity test. Table 6 shows that each variable has a probability value > 0.05. So it can be concluded that it passed the heteroscedasticity test.

Moderated Regression Analysis (MRA) Results

In conducting MRA testing, it is necessary to see how the role of ROA and SIZE moderation is so that in looking at the interaction of each variable is multiplied by each dependent variable, namely CSRE and DAR. The following equation can be formulated as follows:

Model 2. PBV = α + β1CSRE + β2DAR + β3ROA + ε
Model 3. PBV = α + β1CSRE + β2DAR + β3ROA + β4 (CSRE x ROA) + β5 (DAR x ROA) + ε
Model 4. PBV = α + β1CSRE + β2DAR + β3SIZE + ε
Model 5. PBV = α + β1CSRE + β2DAR + β3SIZE + β4 (CSRE x SIZE) + β5 (DAR x SIZE) + ε
Model 6. PBV = α + β1CSRE + β2DAR + β3ROA + β4SIZE + β5 (CSRE x ROA) + β6 (DAR x ROA) + β7 (CSRE x SIZE) + β8 (DAR x SIZE) + ε

Table 7. MRA Test Results moderated by ROA

Variable	Model 2			Model 3			Model 6		
	Coef.	t-Stat.	Prob.	Coef.	t-Stat.	Prob.	Coef.	t-Stat.	Prob.
C	-0.2600	-0.2795	0.7801	-0.1127	-0.1188	0.955	23.6461	0.9763	0.3297
X1_CSRE	0.0878	2.4610	0.0144	0.0773	2.0989	0.0367	0.9592	1.1564	0.2485
X2_DAR	0.8579	0.5400	0.5896	0.8777	0.5507	0.5822	7.9293	0.3931	0.6495
M1_ROA	2.7682	1.4891	0.1375	-5.0949	-0.5789	0.5631	-47889	-0.5454	0.5859

Variable	Model 1 Coef.	t-Stat.	Prob.	Model 2 Coef.	t-Stat.	Prob.	Model 3 Coef.	t-Stat.	Prob.
M2_SIZE							-0.8411	-0.9838	0.3260
X1M1				0.4755	1.2171	0.2245	0.5212	1.3355	0.1827
X2M1				-4.6440	-0.5753	0.5655	-6.0669	-0.7494	0.4542
X1M2							-0.0310	-1.0615	0.2893
X2M2							-0.1972	-0.2842	0.7764
N	462			462			462		
R-squared	0.8135			0.8146			0.8196		
Adj. R2	0.7181			0.7179			0.7227		
F-stat.	8.5261			8.4257			8.4632		
Prob. F-Stat	0.0000			0.0000			0.0000		

Source: EViews 12 (2024) Results

Table 8. MRA Test Results moderated by SIZE

Variable	Model 4 Coef.	t-Stat.	Prob.	Model 5 Coef.	t-Stat.	Prob.	Model 6 Coef.	t-Stat.	Prob.
C	39.2335	2.3861	0.0176	23.0186	0.9515	0.3421	23.6461	0.9763	0.3297
X1_CSRE	0.0902	2.5434	0.0115	0.7376	0.8933	0.3724	0.9592	1.1564	0.2485
X2_DAR	1.6303	1.0003	0.3180	10.4899	0.5216	0.6024	7.9293	0.3931	0.6495
M1_ROA							-47889	-0.5454	0.5859
M2_SIZE	-1.3853	-2.3904	0.0174	-0.8143	-0.9546	0.3405	-0.8411	-0.9838	0.3260
X1M1							0.5212	1.3355	0.1827
X2M1							-6.0669	-0.7494	0.4542
X1M2				-0.0228	-0.7844	0.4434	-0.0310	-1.0615	0.2893
X2M2				-0.3040	-0.4400	0.6602	-0.1972	-0.2842	0.7764
N	462			462			462		
R-squared	0.8156			0.8161			0.8196		
Adj. R2	0.7212			0.7202			0.7227		
F-stat.	8.6454			8.5097			8.4632		
Prob. F-Stat	0.0000			0.0000			0.0000		

Source: EViews 12 (2024) Results

Analysis Test Results

Based on table 4, the results of the regression of panel data in model 1 examine the influence between CSR (CSRE) and capital structure (DAR) variables on the value of the Company (PBV). The model shows that the significance value of the CSRE is 0.0139 < 0.05 and the DAR is 0.7215 > 0.05. This explains that CSR variables have an effect on company value, while capital structure has no effect on company value. The combination of these independent variables can affect the value of the company by 71.70%. The remaining 28.3% was explained by other factors outside the regression model of this study. So that model 1 when it has a coefficient value, then:

Y_PBV = -0.0096 + 0.0884*X1_CSRE + 0.5635*X2_DAR + ε

Based on table 7, the results of MRA in model 2 test the influence between CSR (CSRE) and capital structure (DAR) variables on the Company's value (PBV) moderated by profitability (ROA). The model shows that the significance value of the CSRE is 0.0144 < 0.05. Meanwhile, DAR and ROA have values of 0.5896 and 0.1375 > 0.05. This explains that the independent variable, namely CSR, has an effect on the company's value. Capital structure as an independent variable and profitability as a moderation variable have no influence on the company's value. The combination of independent variables and profitability as moderation can affect the company's value by 71.81%. The remaining 28.19% was explained by other factors outside the regression model of this study. So that model 2 when it has a coefficient value, then:

Y_PBV = -0.2600 + 0.0878*X1_CSRE + 0.8579*X2_DAR + 2.7682*M1_ROA + ε

Based on table 7, the results of MRA in model 3 examine the influence between CSR (CSRE) and capital structure (DAR) variables on the Company's value (PBV) moderated by profitability (ROA) as well as the interaction between CSR and profitability (CSRE x ROA) and capital structure with profitability (DAR x ROA). The model shows that the significance value of the CSRE is 0.0367 < 0.05. Meanwhile, DAR, ROA, CSR with profitability (CSRE x ROA) and capital structure with profitability (DAR x ROA) have values of 0.5822, 0.5631, 0.2245 and 0.5655 > 0.05. This explains that the independent variable, namely CSR, has an effect on the company's value. Meanwhile, capital structure as an independent variable, profitability as a moderation variable and CSR with profitability (CSRE x ROA)

and capital structure with profitability (DAR x ROA) have no influence on the company's value. The combination of independent variables, profitability as moderation, and the interaction of independent variables with moderation can affect the company's value by 71.79%. The remaining 28.21% was explained by other factors outside the regression model of this study. So that model 3 when it has a coefficient value, then:

$Y\_PBV = -0.1127 + 0.0773*X1\_CSRE + 0.8777*X2\_DAR - 5.0949*M1\_ROA + 0.4755*X1M1 - 4.6440*X2M1 + \varepsilon$

Based on table 8, the results of MRA in model 4 test the influence between CSR (CSRE) and capital structure (DAR) variables on the company's value (PBV) moderated by firm size (SIZE). The model shows that the significance values of CSRE and SIZE are 0.0115 and 0.0174 < 0.05. Meanwhile, DAR has a value of 0.3180 > 0.05. This explains that independent variables, namely CSR and firm size as moderation variables, have an effect on the company's value. Capital structure as an independent variable has no influence on the value of the company. The combination of independent variables and firm size as moderation can affect the company's value by 72.12%. The remaining 27.88% was explained by other factors outside of the regression model of this study. So that model 4 when it has a coefficient value, then:

$Y\_PBV = 39.2335 + 0.0902*X1\_CSRE + 1.6303*X2\_DAR - 1.3853*M2\_SIZE + \varepsilon$

Based on table 8, the results of the MRA in model 5 examine the influence between CSR (CSRE) and capital structure (DAR) variables on the Company's value (PBV) moderated by firm size (SIZE) as well as the interaction between CSR and firm size (CSRE x SIZE) and capital structure with firm size (DAR x SIZE). The model shows that the significance values of CSRE, DAR, SIZE, CSR with firm size (CSRE x SIZE) and capital structure with firm size (DAR x SIZE) have values of 0.3724, 0.6024, 0.3405, 0.4334 and 0.6602 > 0.05. This explains that independent variables, firm size as a moderation variable as well as CSR with firm size (CSRE x SIZE) and capital structure with firm size (DAR x SIZE) have no influence on the company's value. The combination of independent variables, firm size as moderation, and the interaction of independent variables with moderation can affect the company's value by 72.02%. The remaining 27.98% was explained by other factors outside the regression model of this study. So that model 5 when it has a coefficient value, then:

$Y\_PBV = 23.0186 + 0.7376*X1\_CSRE + 10.4899*X2\_DAR - 0.8143*M2\_SIZE - 0.0228*X1M2 - 0.3040*X2M2 + \varepsilon$

Hypothesis Test

In determining the influence of independent variables on dependents, a t-test with a significance of 5% was used. If the significance or probability value is < 0.05, it has an effect. While greater than 0.05 has no effect. The F test is also used to see the independent influence of together affecting the dependent. If the significance or probability value < 0.05, it has a simultaneous effect. The usual determination coefficient denoted by R^2 is used to see the magnitude of the influence of the entire independent on the dependent.

Based on tables 7 and 8 in model 6, in the t-test to see the influence between CSR (CSRE) and capital structure (DAR) variables on the company's value (PBV) moderated by profitability (ROA) and firm size (SIZE) as well as the interaction between CSR and profitability (CSRE x ROA), capital structure with profitability (DAR x ROA), CSR with firm size (CSRE x SIZE), and capital structure with firm size (DAR x SIZE). The model shows that the significance values of CSRE, DAR, ROA, SIZE, CSR with profitability (CSRE x ROA), capital structure with profitability (DAR x ROA), CSR with firm size (CSRE x SIZE), and capital structure with firm size (DAR x SIZE) have values of 0.2485, 0.6945, 0.5859, 0.3260, 0.1827, 0.4542, 0.2893 and 0.7764 > 0.05. This explains that the independent variables, profitability and firm size as moderation variables as well as all interactions of independent variables and moderation have no influence on the company's value and moderation cannot strengthen the relationship between independent and dependent variables.

However, in the F test, it has a significance of 0.0000 < 0.05 which means that overall the variable has a simultaneous effect on the dependent variable, namely the Company value (PBV). Likewise, the determination coefficient where the combination of independent variables, moderation variables, and the interaction of independent variables with moderation can affect the company's value by 72.27%. The remaining 27.73% was explained by other factors outside the regression model of this study. So that model 6 when it has a coefficient value, then:

Y_PBV = 23.6461 + 0.9592*X1_CSRE + 7.9293*X2_DAR - 4.7889*M1_ROA - 0.8410*M2_SIZE + 0.5212*X1M1 - 6.0669*X2M1 - 0.0310*X1M2 - 0.1972*X2M2 + ε

Discussion

The Effect of Corporate Social Responsibility (CSR) on Company Value

Based on the test results, the significance value of CSR to the company's value is 0.2485 > 0.05. So in H1 it is stated that CSR has no effect on the company's value. This is not in line with the research conducted by Hermawan et al. (2023) on companies in Indonesia. This is because the implementation of CSR mandated by Government Regulation Number 47 of 2012 creates a conflict of interest between the company and investors. Companies that are required to carry out CSR cause an increase in the company's expenses. The costs incurred for CSR cause a decrease in the company's profit, which has an impact on stakeholder profits. This is in accordance with research conducted by Adlah & Febrianto (2023), Rupilu (2022), and Saragih & Said (2023) which stated that CSR has no effect on company value.

The Influence of Capital Structure on Company Value

Based on the test results, the significance value of the capital structure to the company's value is 0.6945 > 0.05. So in H2 it is stated that the capital structure has no effect on the company's value. This is because what investors consider in investing is not only seen from the company's debt. Investors pay attention to how management utilizes the funds owned by a company so that it becomes an added value for the company. The level of debt of a company cannot affect the value because there are companies that have a lot of debt but have a high company value. Companies that have little debt can also have a high corporate value. This is in accordance with the research of Neves et al. (2020), Utami (2023), and Sudirman et al. (2022).

Profitability Moderates the Influence of Corporate Social Responsibility (CSR) on Company Value

Based on the test results, the significance value of profitability that moderates the influence of CSR on the company's value is 0.1827 > 0.05. So in H3 it is stated that profitability is not able to moderate the influence of CSR on the company's value. Research conducted by Rasyid et al. (2022) and RAHMANTARI (2021) supports the results of the study. This is because ROA used as a measure of profitability can reflect the existence of profit management so that the profit ratio cannot reflect the actual value. When the assets owned by the company are rotated and there is an increase in profits, it does not indicate that the company's stock price will also rise.

Profitability Moderates the Influence of Capital Structure on Company Value

Based on the test results, the significance value of profitability that moderates the influence of capital structure on the company's value is 0.4542 > 0.05. So in H4 it is stated that profitability is not able to moderate the influence of capital structure on the company's value. These results are supported by research conducted by Rasyid et al. (2022). This is because investors in buying and selling stocks pay attention to the price of shares in the capital market. Although profitability is an important consideration, in buying and selling stocks, changes in the value of the capital structure are not directly visible in the stock price. This causes investors to focus on other indicators.

Firm Size Moderates the Influence of Corporate Social Responsibility (CSR) on Company Value

Based on the test results, the significance value of firm size which moderates the influence of CSR on the company's value is 0.2893 > 0.05. So in H5 it is stated that firm size is not able to moderate the influence of CSR on company value. Large companies need large funds to finance company activities so that the cost of CSR activities is saved. The negative impact of CSR can lower the company's image so that investors question how the company contributes to the environment and society. In addition, based on Government Regulation Number 47 of 2012, companies are required to carry out CSR activities and disclosure so that both large and small companies participate in CSR activities so that existing information can be provided comprehensively. This is in accordance with the research of Margini & Kusumawati (2023) and Saragih & Said (2023).

Firm Size Moderates the Influence of Capital Structure on Company Value

Based on the test results, the significance value of firm size that moderates the influence of capital structure on the company's value is 0.7764 > 0.05. So in H6 it is stated that firm size is not able to

moderate the capital structure to the company's value. This is in accordance with Margini & Kusumawati (2023) and Mudjijah et al. (2019) that firm size cannot moderate the influence of the variable relationship. The size of the company is getting bigger and bigger and cannot guarantee that the capital structure provided will increase. This is because if a small-scale company with too large a debt amount and is not followed by a large return on assets, the company is at high risk of bankruptcy and raises investor concerns. Large-scale companies that receive additional capital in the form of debt may not necessarily be able to provide maximum performance and appropriate returns. Company management will have difficulty managing financial management if the high assets owned by the company are followed by an increase in liabilities, namely debts.

CONCLUSION

The study investigates the relationship between Corporate Social Responsibility (CSR) and capital structure on firm size, focusing on profitability and firm size as moderating variables. The results indicate that CSR and capital structure do not significantly impact a company's value. Companies that engage in CSR activities may minimize profits, and investors do not only consider the value of the capital structure. Profitability and firm size cannot moderate the relationship between independent variables, as profit management practices can lead to large profits without indicating a positive company value and capital structure. Future research could explore the specific conditions under which CSR and capital structure influence company value, the role of different CSR activities, and the impact of external factors like market conditions or regulatory changes.

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