

Profitability as a Moderator of GCG and CSR Effects on Company Value with Company Size Controls on IDX

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ARTICLE INFO

JEL Classification:

Corresponding Author:

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Received: 07-07-2025

Revised: 14-07-2025

Accepted: 21-07-2025

Published: 28-07-2025

Keywords:

GCG, CSR, Profitability, Company Value, Company Size



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Abstract

The purpose of this study is to test and explain the effect of good corporate governance and corporate social responsibility on company value with profitability as a moderating variable and company size as a control variable. The population in this study were all food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2021-2023, totaling 26 companies. In this study, the sampling method used purposive sampling technique or based on certain criteria. Inferential analysis in this study used SmartPLS software version 4 which started from model measurement (outer model), model structure (inner model) and hypothesis testing (bootstrapping). The results of the study showed that there was a control variable, GCG had a significant effect on company value. However, when the control variable, namely company size, was included in the research model, GCG did not have a significant effect on company value. CSR did not have a significant effect on company value. Likewise, when the control variable was included in the research model, CSR also did not have a significant effect on company value. Thus, company size does not affect the effect of CSR on company value. Before the control variable, profitability had a significant effect on company value. Likewise, when the control variable is included in the research model, profitability also has a significant effect on company value. Profitability is able to play a role in moderating all the effects of GCG on company value. The moderating effect of profitability on the effect of GCG on company value has a large effect with a weakening nature. Profitability is able to play a role in moderating all the effects of CSR on company value. The moderating effect of profitability on the effect of GCG on company value has a large effect with a strengthening nature. company size acts as a control variable for the effect of good corporate governance and social responsibility on company value.

1. INTRODUCTION

One of the purposes of the company was established was to make a profit. Companies that have an orientation to make a profit, will generally focus their activities on increasing the company's value to the maximum. Company value is a fundamental factor that can be used as a reference for investors to choose the right company in making investments. Every company has the goal of obtaining high corporate value in order to provide welfare for investors and company stakeholders. The company's high value is also the result of

the implementation of a good share price in the company. Changes in stock prices can provide investors with the potential for profit or loss (Tumandung et al., 2017).

Maximizing company value is the main goal of financial management (Kasmir, 2017). A high Company value will be able to maximize the wealth of shareholders. If the stock price is high, then the value of the company will also be high and this also reflects a high level of investor confidence in the company that issued the shares (Wiagustini, 2010).

According to Harmono (2014), company value is the company's performance which is reflected by the stock price formed by the demand and supply of the capital market which reflects the public's assessment of the company's performance. According to Husnan & Pudjiastuti (2015) for companies that have not gone public, the value of the company is a number of costs incurred by potential buyers if the company is sold, while for companies that have gone public, the value of the company can be seen from the value of shares in the capital market.

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The food and beverage industry was also affected by the pandemic. In 2020, its performance shrank by 17.51%, deeper than the national economic growth of minus 2.07%. However, in 2022, the food and beverage industry accelerated growth to 40.54%, the highest in the last 10 years.

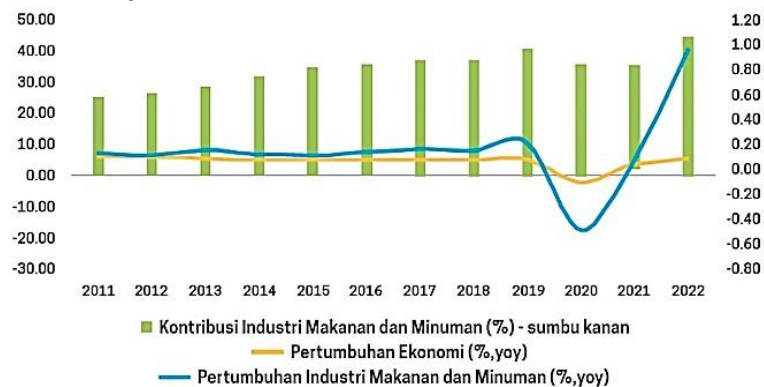


Figure 1. Growth and Contribution of the Food and Beverage Sub-Sector Industry in 2011-2022

Source: datanesia (2024).

The Central Statistics Agency (BPS) noted that the Gross Domestic Product (GDP) on the basis of Constant Prices (ADHK) of the food and beverage industry in 2017 grew 9.23% compared to the previous year which only grew 8.33%. This growth decreased from 2018 to 2020 where each year only grew by 7.91%, 7.78%, and 1.58%. The increase in growth occurred in 2021, where the value grew by 2.54% (Karnadi, 2022). The decline was caused by the disruption of factory operational activities during the Covid-19 pandemic with the implementation of health protocols in the form of the Enforcement of

Community Activity Restrictions (PPKM). Therefore, the Ministry of Industry issued an Operational and Mobility Permit for Industrial Activities (IOMKI) so that factories can continue to operate in the midst of a pandemic so that in 2021, the growth of the food and beverage industry will slowly increase (Ministry of Industry, 2021).

In the process of achieving maximum company value, there will be the emergence of a conflict, namely The Central Statistics Agency (BPS) noted that the Gross Domestic Product (GDP) on the basis of Constant Prices (ADHK) of the food and beverage industry in 2017 grew 9.23% compared to the previous year which only grew 8.33%. This growth decreased from 2018 to 2020 where each year only grew by 7.91%, 7.78%, and 1.58%. The increase in growth occurred in 2021, where the value grew by 2.54% (Karnadi, 2022). The decline was caused by the disruption of factory operational activities during the Covid-19 pandemic with the implementation of health protocols in the form of the Enforcement of Community Activity Restrictions (PPKM). Therefore, the Ministry of Industry issued an Operational and Mobility Permit for Industrial Activities (IOMKI) so that factories can continue to operate in the midst of a pandemic so that in 2021, the growth of the food and beverage industry will slowly increase (Ministry of Industry, 2021). Where this conflict of interest occurs between the principal and the agent which is then said to be an agency problem. This agency problem can occur because the orientation of the manager himself is him. This is not liked by shareholders because it can be an additional cost to the company. Therefore, a concept is needed that can carry out its function as a supervisory mechanism to be able to reduce agency conflicts in the company. The concept in question is corporate governance (Lastanti & Salim, 2018). In addition, one of the ways to increase the value of this company is the ability of the company's management to manage the company's resources effectively and efficiently or it can also be said how the company manages good corporate governance (GCG) (Khasanah & Sucipto, 2020).

Good corporate governance is one of the non-financial factors that can increase the company's value. In Indonesia, the issue of good corporate governance emerged after Indonesia experienced a prolonged crisis in 1998. Since then, the government and investors have paid more attention to corporate governance practices. Corporate governance is a way or mechanism to give confidence to suppliers of corporate funds that they will get a return on their investment. With this good corporate governance mechanism, it is hoped that monitoring activities for company managers can be more effective so that they can increase the company's value. The consistent implementation of corporate governance can increase supervision of management performance, improve the quality of financial statements and the company's value.

Every company does not only aim to maximize the profits obtained. However, in running the company, a social responsibility and improving social welfare are needed. The more the company develops, the higher and uncontrolled the level of exploitation of natural resources, therefore there is also an awareness to reduce this negative impact. Many companies are now developing what is called corporate social responsibility (CSR), companies in their development will always strive to maintain their business advantages in increasing the company's value. Social responsibility of a company occurs between a

company and all stakeholders, including customers, employees, communities, owners or investors, governments, suppliers, and even competitors.

2. LITERATURE REVIEW

Good Corporate Governance

Good corporate governance according to the World Bank (IDX NEWS, 2004) is a blend of law, regulation, and appropriate voluntary private sector practices which enable a corporation to attract financial and human capital, perform effectively and thereby perpetuate it-self by generating long term economic value for its shareholders and society as a whole. Good corporate governance is a rule, standard, and organization in the economic field that regulates the behavior of company owners, directors and managers as well as the details and elaboration of duties and authorities as well as accountability to investors (shareholders and creditors) (Usman, 2012).

Corporate Social Responsibility

According to Rosidah et al. (2018), corporate social responsibility is a concept that organizations, especially (but not only) companies, have various forms of responsibility to all their stakeholders, including consumers, employees, shareholders, communities and the environment in all aspects of the company's operations which include economic, social, and environmental aspects.

Profitability

Profitability is the ability of a company to obtain profits related to sales, total assets, and its own capital. Profitability is the level of net profit that a company is able to achieve when carrying out its operations (Santoso & Priantinah, 2016).

Company Size

The size of a company according to Riyanto (2014) is the size of the company seen from the size of the equity value, sales value, or asset value. According to Sawir (2015), company size is stated as a determinant of the financial structure. Based on this definition, it can be seen that company size is a scale that determines the size of the company which can be seen from the value of equity, sales value, number of employees and total value of assets which are context variables that measure the demands of services or products of the organization.

Nilai Perusahaan

According to Indrarini (2019), the definition of company value is the investor's perception of the manager's level of success in managing the company's resources entrusted to him, which is often linked to the stock price. According to Sugeng (2017), the definition of company value is the selling price of the goods when the goods will be sold.

3. RESEARCH METHODS

This study uses a quantitative research design. Quantitative research requires researchers to explain how variables affect other variables (Creswell, 2014). This type of research is explanatory. The purpose of the study is to test and explain the influence of good corporate governance and corporate social responsibility on company value with profitability as a moderation variable and company size as a control variable. The

subjects analyzed in this study are food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2021-2023. The object of this research is five variables: good corporate governance, corporate social responsibility, company value, profitability and company size. The location of this research was conducted on the Indonesia Stock Exchange (IDX) through the Indonesia Stock Exchange (IDX) website, namely <https://www.idx.co.id/>. The population in this study is all food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2021-2023.

The type of data used in the study is quantitative data. To obtain this data, the researcher took annual financial statement data from food and beverage sub-sector companies listed on the Indonesia Stock Exchange for 2021-2023 sourced from the Indonesia Stock Exchange (IDX) website. In a scientific study, data analysis aims to present empirical findings in the form of descriptive statistical data and inferential statistical analysis used to test hypotheses. The inferential statistical method used to analyze in this study is a variance-based structural equation model (SEM) or partial least square (PLS).

4. RESULTS AND DISCUSSION

Results

Descriptive Statistical Analysis

The description of variables in the descriptive statistics used in this study includes the mean, minimum value, maximum value, and standard deviation of one dependent variable, namely company value measured (proximate) with price to book value (PBV), two independent variables, namely good corporate governance (GCG) and corporate social responsibility (CSR), one moderation variable, namely profitability measured (proxied) by return on assets (ROA), and one control variable, namely the size of the company.

Table 1. Descriptive Statistical Analysis Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
GCG	78	5.26	82.47	36.1828	21.66289
CSR	78	0.09	0.50	0.2556	0.09715
PBV	78	0.31	15773.60	553.6491	2577.17807
ROA	78	-0.40	0.94	0.0722	0.14052
Company_Size	78	14.38	30.80	25.8277	3.90062
Valid N (listwise)	78				

Source: Data processed (2024)

The good corporate governance (GCG) variable shows a mean value of 36.1828 with a standard deviation rate of 21.66289 data with a maximum value of 82.47 and a minimum value of 5.26, this shows that the data of the good corporate governance (GCG) variable is quite good.

Validity testing for reflective indicators uses the correlation between an item's score and its construct score. Measurements with reflective indicators indicate a change in an indicator in a construct if other indicators in the same construct change (or are excluded

from the model). Reflective indicators are suitable for measuring perception, so this study uses reflective indicators.

The corporate social responsibility variable measured by GRI G-4 showed a mean value of 0.2556, meaning that the average percentage of corporate CSR disclosure from 78 samples was 25.56%, with a minimum value of 0.09 and a maximum value of 0.50 with a deviation (standard deviation) of 0.09715, this shows that the data of corporate social responsibility (CSR) variables is quite good.

The average price book value in the food and beverage sub-sector company is 553,6491. This means that the average per year of the above companies has very good conditions, because the standard PBV value in the company is above the number 1 which is indicated as a stock worth considering.

The results of the descriptive statistical analysis of return on assets (ROA) have a minimum value of -0.40 which means that there are companies that have suffered losses in the research period, a maximum value of 0.94 which states that companies with the maximum value in ROA are able to generate profits from their operations, and an average value of 0.0722 shows that the company is able to make profits with the assets it owns. These results show that the company was able to generate a profit of 7.22% by utilizing the assets it owns which shows the company is in good financial condition.

In the control variable of company size proxied by the natural logarithm of total assets, the minimum (maximum) value for the company size is 14.38 (30.80), and the average (standard deviation) of the company size is 25.8277 (3.90062). This shows that the company size variable indicates good results because the standard deviation of 3.90062 which reflects the deviation from the variable data is smaller than the mean value or average amount of 25.8277 which means that the majority of the companies in the study sample have large total assets.

Inferential Analysis Without Control Variables

The outer loadings of the measurement model with reflective indicators can be seen from the correlation between the item score and the construct score. Individual indicators are considered reliable if they have a correlation value above 0.70. Based on the results for outer loadings, all indicators have a loading above 0.70 and are significant.

Table 2. Result for Outer Loadings Without Control Variables

Variable	CSR	GCG	Company Values	Profitability	Profitability x CSR	Profitability x GCG
GCG		1.000				
GRI	1.000					
PBV			1.000			
ROA				1.000		
Profitability x GCG						1.000
Profitability x CSR					1.000	

Source: Data processed (2024)

Validity testing for reflective indicators uses the correlation between an item's score and its construct score. Measurements with reflective indicators indicate a change in an

indicator in a construct if other indicators in the same construct change (or are excluded from the model). Reflective indicators are suitable for measuring perception, so this study uses reflective indicators. The following is an overview of the outer loading value in the outer model generated after running the SmartPLS program for all indicators in the following figure:

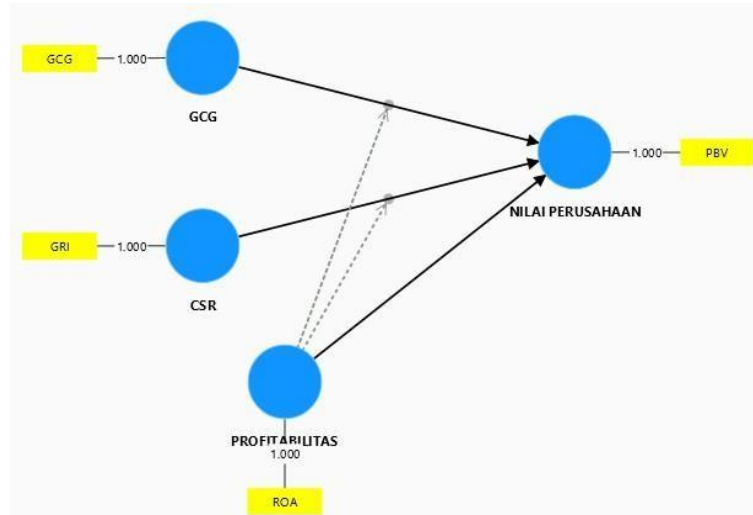


Figure 2. Outer Model Without Control Variables

R-Square

The R-Square value is a goodness test of the model. The change in the value of R-Square is used to explain the influence of certain exogenous latent variables on endogenous latent variables, whether they have a substantive influence. R-Square value 0.67; 0.33 and 0.19 for endogenous latent variables in structural models indicate strong, moderate, and weak models. Based on the results of testing using the SmartPLS program, R-Square results were obtained as follows:

Table 3. R-Square Without Control Variables

Variabel Dependen	R-square	R-square adjusted
Company Values	0.627	0.601

Source: Data processed (2024)

In the table above, it can be seen that the R-Square value of the endogenous latent variable The obtained Company Value is 0.627, which indicates a moderate model, because the value is above 0.33. The results of the R-Square PLS represent the amount of variance of the endogenous construct described by the model.

Path Coefficients Without Control Variables

Evaluate path coefficients which is a useful value in showing the direction of the relationship to a variable, whether a hypothesis has a positive or negative direction. Path coefficients have values that are in the range of -1 to 1. If the value is in the range of 0 to 1, it can be declared positive, while if the value is in the range of -1 to 0, it can be declared negative. In PLS path coefficients can be seen from the original sample value.

Table 4. Path Coefficients Without Control Variables

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics (O/STDEV)	P values
GCG -> Company Values	-0.150	-0.150	0.074	2.018	0.044
CSR -> Company Values	0.246	0.218	0.138	1.779	0.075
Profitability -> Company Values	0.358	0.335	0.170	2.109	0.035
Profitability x GCG -> Company Values	-0.237	-0.260	0.090	2.617	0.009
Profitability x CSR -> Company Values	0.908	0.843	0.318	2.854	0.004

Source: Data processed (2024)

The table above describes the path coefficients of the relationship between variables, which are as follows:

1. The coefficient of the GCG pathway -> The Company Value has an original sample value of -0.150, which means that if GCG increases by one unit, the Company Value will decrease by -0.150 units.
2. The coefficient of the CSR -> Company Value path has an original sample value of 0.246, which means that if the CSR increases by one unit, the Company Value will increase by 0.246 units.
3. The coefficient of the Profitability path -> Company Value has an original sample value of 0.358, which means that if the Profitability increases by one unit, the Company Value will also increase by 0.358 units.
4. The coefficient of the moderation path Profitability x GCG -> Company Value has an original sample value of -0.237, which means that it has a "weakening" moderation property because the value is negative.
5. The coefficient of the moderation path Profitability x CSR -> Company Value has an original sample value of 0.908, which means that it has a "strengthening" moderation property because the value is positive.

Inferential Analysis With Control Variables

The outer loadings of the measurement model with reflective indicators can be seen from the correlation between the item score and the construct score. Individual indicators are considered reliable if they have a correlation value above 0.70. Based on the results for outer loadings, all indicators have a loading above 0.70 and are significant.

Table 5. Result for Outer Loadings with Control Variables

Variabel	CSR	GCG	Company Values	Profitability	Company Size	Profitability x CSR	Profitability x GCG
GCG		1.000					
GRI	1.000						
PBV			1.000				
ROA				1.000			
Company Size					1.000		
Profitability x CSR						1.000	
Profitability x GCG							1.000

Source: Data processed (2024)

Validity testing for reflective indicators uses the correlation between an item's score and its construct score. Measurements with reflective indicators indicate a change in an indicator in a construct if other indicators in the same construct change (or are excluded from the model). Reflective indicators are suitable for measuring perception, so this study uses reflective indicators.

The following is an overview of the outer loading value in the outer model generated after running the SmartPLS program for all indicators in Figure 5.8 below:

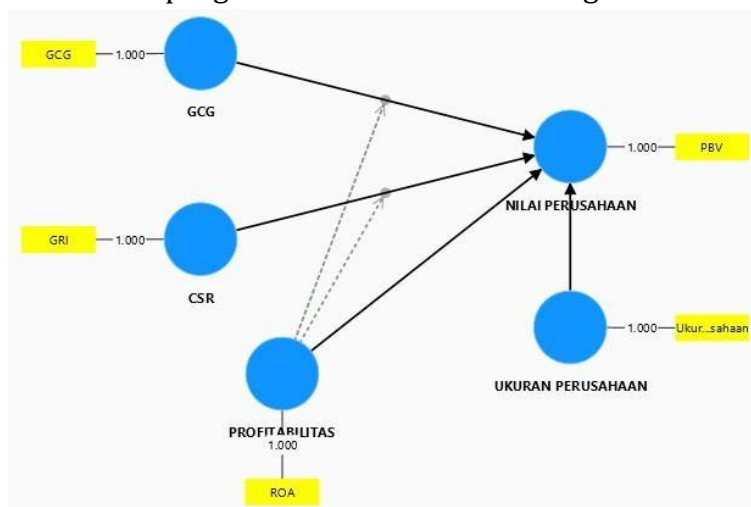


Figure 3. Outer Model With Control Variables

R-Square

The R-Square value is a goodness test of the model. The change in the value of R-Square is used to explain the influence of certain exogenous latent variables on endogenous latent variables, whether they have a substantive influence. R-Square value 0.67; 0.33 and 0.19 for endogenous latent variables in structural models indicate strong, moderate, and weak models.

Based on the results of testing using the SmartPLS program, R-Square results were obtained as follows:

Table 6. R-Square With Control Variables

Variabel Dependen	R-square	R-square adjusted
Company Values	0.667	0.638

Source: Data processed (2024)

In the table above, it can be seen that the R-Square value of the endogenous latent variable The Company Value obtained is 0. 0.667, which indicates a strong model, as the value is above 0.67. The results of the R-Square PLS represent the amount of variance of the endogenous construct described by the model.

Path coefficients

Path coefficients are a value that is useful in showing the direction of the relationship to a variable, whether a hypothesis has a positive or negative direction. Path coefficients have values that are in the range of -1 to 1. If the value is in the range of 0 to 1, it can be declared positive, while if the value is in the range of -1 to 0, it can be declared negative. In PLS path coefficients can be seen from the original sample value.

Table 7. Path Coefficients With Control Variables

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics (O/STDEV)	P values
GCG -> Company Values	-0.077	-0.084	0.077	1.010	0.313
CSR -> Company Values	0.139	0.124	0.137	1.016	0.310
Profitability -> Company Values	0.364	0.349	0.173	2.111	0.035
Profitability x GCG -> Company Values	-0.251	-0.270	0.096	2.617	0.009
Profitability x CSR -> Company Values	0.982	0.917	0.342	2.874	0.004
Company Size -> Company Values	-0.229	-0.212	0.097	2.368	0.018

Source: Data processed (2024)

The table above describes the path coefficients of the relationship between variables, which are as follows:

1. The coefficient of the GCG pathway -> The Company Value has an original sample value of -0.077, which means that if GCG increases by one unit, then the Company Value will decrease by -0.077 units.
2. The coefficient of the CSR -> Company Value path has an original sample value of 0.139, which means that if CSR increases by one unit, then the Company Value will increase by 0.139 units.
3. The coefficient of the Profitability -> Company Value path has an original sample value of 0.364, which means that if the Profitability increases by one unit, then the Company Value will also increase by 0.364 units.

4. The coefficient of the moderation path Profitability x GCG -> Company Value has an original sample value of -0.251, which means that it has a "weakening" moderation property because the value is negative.
5. The coefficient of the moderation path Profitability x CSR -> Company Value has an original sample value of 0.982, which means that it has the property of moderation "strengthening" because the value is positive.
6. The coefficient of the Company Size -> Company Value path has an original sample value of -0.229, which means that if the Profitability increases by one unit, the Company Value will also decrease by -0.229 units.

Discussion

The Influence of GCG on Company Value

The results of hypothesis testing before the existence of control variables, that GCG has a significant effect on the company's value. However, when the control variable, namely the size of the company, is included in the research model, GCG does not have a significant effect on the company's value.

This insignificance is not in accordance with the results of research that has been conducted by Khan & Sukarno (2024), Sari & Daito (2024), Kusuma & Anom (2021), Putra et al. (2024), and Yanto (2018) which revealed that good corporate governance has a significant effect on company value. On the other hand, these results are in accordance with the research of Haisyah et al. (2024) and Aini & Maryanti (2023) which revealed that good corporate governance has no effect on company value.

The insignificance of the results of this first hypothesis test is possible that the size of the company is assessed from the total assets owned by the company for its operational activities, the larger the size of the company, the greater the funds needed for its operational activities. As revealed by Suryandani's research (2018), the withdrawal of debt carried out by large companies for these operational activities should be able to make the company obtain returns in the form of large assets. However, the assets used as collateral to obtain debt have a greater value than the return of assets received by the company. This shows the lack of solvency between assets and debt which will ultimately cause concern for investors. The high risk in the company is considered to increase the potential for bankruptcy. This risk indicates that the implementation of GCG in companies is less mamksimal. As revealed by Shil (2008), poor corporate governance is the source of the emergence of corporate risks.

The Influence of CSR on Company Value

The results of the hypothesis test before the existence of the control variable, that CSR does not have a significant effect on the company's value. Likewise, when control variables were included in the research model, CSR did not have a significant effect on the company's value. Thus, the size of the company does not have an impact on the influence of CSR on the company's value.

The insignificance of the results of the second hypothesis test is possible because the quality of CSR disclosure is still low where there is a lack of support from the company and there has been no application of an index that summarizes the shares of companies

that have implemented CSR. CSR disclosure has become an obligation for companies based on Government Regulation No. 47 of 2012 concerning Limited Liability Companies. Laras (2020) argues that the influence of CSR is a company's long-term strategy to maintain company sustainability. The insignificance of the influence of CSR disclosure on company value is also caused by investor behavior, and CSR variables that cannot be measured directly (Hutabarat and Siswantaya, 2017). The results of this study are in line with the research results of Sari & Daito (2024) and Alfiadin & Susilo (2022) which show that corporate social responsibility does not have a significant effect on company value.

In Indonesia itself, CSR practices have received considerable attention, this is seen from the frequent cases in the form of pollution and waste, excessive exploitation of natural resources. From these cases, there are also many companies that do not care about the importance or awareness of environmental pollution resulting from projects carried out by the company concerned. Corporate social responsibility is a mechanism for an organization to voluntarily integrate environmental and social concerns into its operations and interactions with stakeholders.

The Effect of Profitability on Company Value

The results of hypothesis testing before the existence of the control variable, that profitability has a significant effect on the company's value. Likewise, when control variables are included in the research model, profitability has a significant effect on the company's value.

Company value is the public's perception of a company's success. The value of a company is the price of a company that is willing to be paid by potential buyers (Husnan & Pudjiastuti, 2015). Companies that are considered good will be in demand by investors to invest their capital so that the company's share price will increase. This is in line with the concept of corporate value in capital market financial theory that company value can be seen from stock prices based on demand and supply in transactions in the capital market which is a reflection of real public valuation (Harmono, 2014).

The increase in the value of the company is a good achievement for the company and the owners or shareholders because with the increase in the value of the company, the company can survive and develop and the welfare of the owner will also increase. In this case, the company's value is proxied by the price to book value, hereinafter referred to as PBV. PBV, also known as market to book ratio, is used to measure a company's value because it is a market ratio that shows how much the market appreciates the book value of a company's stock (Brigham & Houston, 2015). This means that the PBV ratio is calculated based on the stock price that occurs in the market compared to the book value of the company's shares.

The Influence of GCG on Profitability-Moderated Company Value

In relation to GCG it does not directly affect the company's value, but profitability has a significant effect on the company's value, and profitability also plays a role in significantly moderating the influence of GCG on the company's value, thus it can be said that the profitability variable is classified as Quasi Moderator (Pseudo-Moderator). This means that the variable that moderates the relationship between independent variables

and dependent variables, which can interact with independent variables as well as become independent variables.

Good corporate governance (GCG) is a paradigm that is developing in Indonesia today. Because if you want to improve the quality of the company, it is also necessary to implement good corporate governance. That way, the company will be successful and can survive in the long term. At the same time, it can win business internationally. Good corporate governance is a system to plan and control a company to create added value for its shareholders. With the increase in various types of business activities that indirectly strive for sound corporate governance practices, the external and internal conditions of the company are getting more complicated, in addition to increasing competitiveness, the application of good corporate governance principles also provides protection for the community. (Ratnaningsih & Cholis, 2012).

Company value is a fundamental factor that can be used as a reference for investors to choose the right company in making investments. Every company has the goal of obtaining high corporate value in order to provide welfare for investors and company stakeholders. The company's high value is also the result of the implementation of a good share price in the company. These factors are interrelated in creating company value. Noviani et al. (2019) stated that the value of a company is an investor's perception of the company that has a relationship with the stock price.

The Influence of CSR on Profitability-Moderated Company Value

The results of the hypothesis test show that profitability can play a role in moderating the influence of CSR on company value. The effect of profitability moderation on the influence of CSR on the company's value is 1,114, which means that it has a big effect because it is above the value of 0.35. In relation to CSR directly does not have a significant effect on the company's value, but profitability has a significant effect on the company's value, and profitability also plays a role in significantly moderating the influence of CSR on the company's value, thus it can be said that the profitability variable is classified as Quasi Moderator (pseudo-moderator). This means that the variable that moderates the relationship between independent variables and dependent variables, which can interact with independent variables as well as become independent variables.

Corporate Social Responsibility (CSR) is one of the means for companies, especially those whose businesses are related to natural resources, to balance economic benefits with their contribution to the community's economy, social, and environment in order to realize sustainable development. Based on Law 40 of 2007 article 74 concerning Limited Liability Companies, companies in Indonesia are obliged to carry out CSR activities. The stipulation of this regulation regarding CSR requires companies that carry out their business activities in the field and/or related to natural resources to carry out social and environmental responsibilities.

Company value is something that must be continuously considered by the company. Management will always strive to increase the value of its company because with the increasing value of the company, the company will also increase the prosperity of its shareholders and the company will have more ease in obtaining funding. In making funding decisions, companies need to consider economic sources of funds to spend on

their investment needs and business activities. That way, the company will be able to continue to compete and be able to continue to survive in the global market competition which over time is felt to be getting tighter (Priyastuty, 2015).

The Effect of Company Size on Company Value

The results of the hypothesis test show that company size plays a role as a control variable for the influence of good corporate governance, corporate and social responsibility on company value. The results of this hypothesis test are in accordance with the results of research conducted by Paulus et al. (2022), Jihadi et al. (2021), and Yuwono & Aurelia (2021) which stated that the company size variable plays a role as a control variable for the company's value.

The size of the company becomes a control variable for the value of the company. According to Sugiyono (2017), control variables are variables that are controlled or made constant so that independent variables are not influenced by external factors that are not studied. The addition of company size variables as a control variable is considered important, in order to improve the accuracy of the research model (Sariani et al., 2021).

The size of the company is one of the things that also needs to be considered, especially for investors and creditors. Companies that tend to be large will certainly have more power to get funds from creditors (Sawir, 2015). According to Priyastuty (2015) stated that the size of a company can be seen in the financial statements of all assets owned by a company, the larger the assets owned by a company, the more free management can control and use the company's assets in order to increase the value of the company it manages.

5. CONCLUSION

Based on the data processing that has been carried out, the description of the data that has been described, as well as the analysis and discussion that has been described, conclusions can be drawn as follows:

1. Before the existence of control variables, GCG had a significant effect on the company's value. However, when the control variable, namely the size of the company, is included in the research model, GCG does not have a significant effect on the company's value. It is possible that the size of the company is assessed from the total assets owned by the company for its operational activities, the larger the size of the company, the greater the funds needed for its operational activities.
2. CSR does not have a significant effect on the company's value. Likewise, when control variables are included in the research model, CSR also does not have a significant effect on the company's value. Thus, the size of the company does not have an impact on the influence of CSR on the company's value.
3. Before the existence of control variables, profitability had a significant effect on the company's value. Likewise, when control variables are included in the research model, profitability also has a significant effect on the company's value.
4. Profitability can play a role in moderating the pseudo-influence of GCG on company value. The effect of profitability moderation on the influence of GCG on company value has a large effect with a weakening nature.

5. Profitability can play a role in moderating the pseudo-influence of CSR on company value. The effect of profitability moderation on the influence of GCG on company value has a large effect with a strengthening nature.
6. Company size plays a role as a control variable for the influence of good corporate governance and social responsibility on company value.

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