THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY, INVESTMENT DECISIONS, AND PROFITABILITY ON FIRM VALUE
(An Empirical Study of Consumer Non-Cyclicals Sector Companies Listed on the Indonesia Stock Exchange During 2020–2024)

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Abstract. Firm value is the outcome of a series of activities and performance achievements attained by a company. It reflects the level of public and investor confidence in the company's ability to manage its operations and create favourable future prospects. This study aims to examine the effect of corporate social responsibility (CSR), investment decisions, and profitability on the firm value of consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. This study employed a quantitative approach with an associative research design. The research sample consisted of 20 companies selected using the purposive sampling method, resulting in a total of 100 observations over five years. The data were analysed using multiple linear regression through SPSS. The results indicate that CSR and profitability have a positive and significant effect on firm value, while investment decisions have a negative and significant effect on firm value. This study implies that companies need to enhance their CSR practices and profitability to increase their firm value in the eyes of investors. Furthermore, this study contributes to the development of the literature on the factors affecting firm value and may serve as a reference for future research.

Keywords: Corporate Social Responsibility, Investment Decisions, Profitability, Firm Value

BACKGROUND

Increasingly competitive business competition has encouraged companies to enhance their performance, transparency, and sustainability in order to create firm value capable of attracting investor confidence, as firm value is one of the primary indicators in investment decision-making (Ardelia & Retnani, 2024; Sari et al., 2025). The consumer non-cyclicals sector has long been recognised as relatively stable because it provides essential goods required by society, making it one of the sectors favoured by investors, although firm value remains influenced by various internal and external factors (Amira & Siswanto, 2022; Nugroho & Munari, 2021). However, the IDX Yearly Statistics 2024 data indicate that the consumer non-cyclicals sector