

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON FIRM VALUE WITH PROFITABILITY AS A MODERATING VARIABLE

Ida Ayu Made Sukma Dewi¹, I Made Pande Dwiana Putra²

¹ Accounting at the Faculty of Economics and Business,
Udayana University, sukma.dewi21@student.unud.ac.id

² Accounting at the Faculty of Economics and Business,
Udayana University, pande_dwiana@unud.ac.id

* Corresponding Author : Ida Ayu Made Sukma Dewi

Abstract: This study aims to provide empirical evidence on the effect of corporate social responsibility (CSR) disclosure on firm value, with profitability as a moderating variable. The object of this study is energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 period. This research is grounded in signaling theory as the main theoretical framework and is supported by contingency theory to explain the moderating role of profitability in the relationship between CSR disclosure and firm value. The sample was selected using a purposive sampling method, resulting in 22 companies with a total of 66 observations over a three-year period. The analytical technique employed is Moderated Regression Analysis (MRA). The findings reveal that CSR disclosure has a positive effect on firm value, and that profitability strengthens the effect of CSR disclosure on firm value.

Keywords: Corporate Social Responsibility Disclosure, Profitability, Firm Value

INTRODUCTION

Research on the effect of corporate social responsibility (CSR) disclosure on firm value has been widely conducted. However, previous studies have produced inconsistent findings. To address this issue, various studies have introduced moderating variables such as profitability, firm size, leverage, and firm age to strengthen the analysis of the relationship. This study aims to re-examine the effect of CSR disclosure on firm value by incorporating profitability as a moderating variable in order to provide more comprehensive and in-depth findings.

The existence of a publicly listed company cannot be separated from its efforts to enhance shareholder wealth, which in turn influences firm value. Firm value reflects investors' perception of a company's success, as seen through its stock price performance (Pramana & Yasa, 2020). Stock prices are considered a valid representation of firm value, as investor assessments are reflected in the market price fluctuations of the company's shares. For investors, firm value is a critical factor in making investment decisions. The higher the firm value, the more secure investors feel, thus increasing their confidence in the company's future prospects (Mardiana & Wuryani, 2019).

In today's business environment, stakeholders—such as consumers, investors, employees, and the broader public—increasingly demand transparency and social responsibility from companies. The growing awareness of environmental and social