



Examining the Effect of Profitability, Corporate Governance, Firm Size, and Capital Structure on Firm Value: The Moderating Role of CSR

Defriyanti Cicilia Manik¹, Pardomuan Sihombing²

Faculty of Economics and Business, Mercu Buana University, UMB, Jakarta, Indonesia

¹55123110061@student.mercubuana.ac.id ; ²pardomuan.sihombing@mercubuana.ac.

³Correspondingemail: defriyantimanik@gmail.com

DOI: <https://doi.org/10.54099/ijebm.v4i2.1521>

ARTICLE INFO

Research Paper

Article history:

Received: 20 June 2025

Revised: 125 July 2025

Accepted: 16 August 2025

Keywords: CSR, Tobin's Q, ROE, KM, SIZE, DER

ABSTRACT

This study analyzes the influence of determinants on company value with CSR as a moderator in Construction Companies Listed on the Indonesia Stock Exchange from 2018 to 2023. The sampling technique used in this study is purposive sampling. The sample in this study consists of 6 companies. This study uses panel data analysis with MRA in E-views 12. The results of the analysis indicate that ROE and KM do not influence company value. Firm size has a negative influence, while DER has a positive influence on company value. CSR does not have a significant influence on company value and is unable to moderate the relationship between independent variables and company value.

This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/).

INTRODUCTION

Currently, the construction sector is experiencing growth and development. According to data from the Central Statistics Agency (BPS) from 2011 to 2020, the GDP value has increased annually. The average annual increase is 5.33% or 453,901.18 billion Rupiah. Each increase is attributed to 9.99% from the construction sector.

According to the website bpiw.pu.go.id, Mr. Benny Hermawan, Head of the Infrastructure Development Center, explained that from 2015 to the third quarter of 2021, the construction sector contributed an average of 9.94% to the national Gross Domestic Product (GDP). This figure ranks fourth among the largest contributors to the national GDP. Even currently, the construction sector plays a significant role in Indonesia's economic growth. This is evident from Indonesia's Gross Domestic Product (GDP) of 9.92% in 2023. The construction sector ranks as the fifth-largest sector.

Stock Prices of the Construction Sub-Sector 2018 – 2023

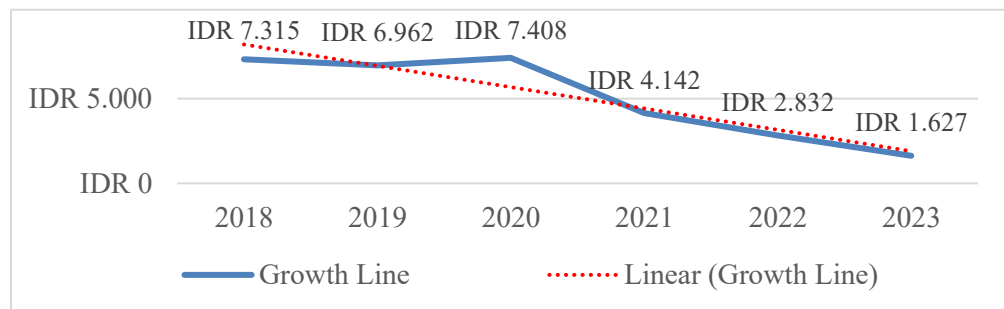


Figure 1 Stock Price Movement Chart 2018–2023

Company Value of the Construction Sub-Sector Year 2018 – 2023

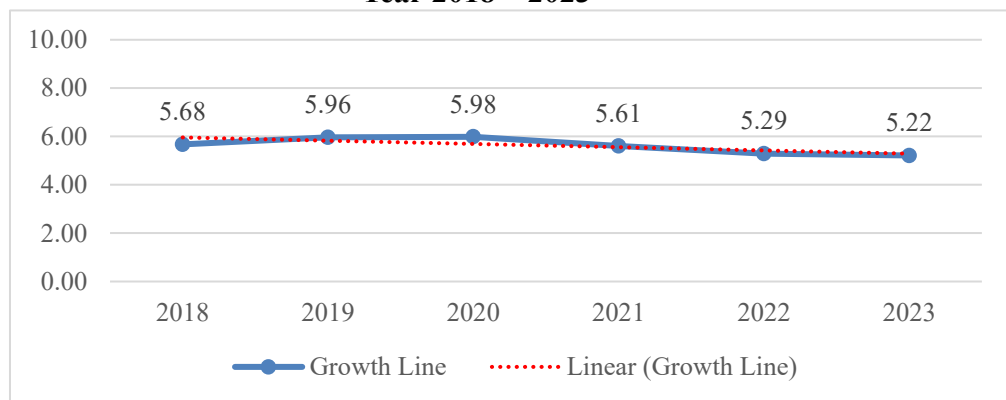


Figure 2 Tobin's Q Movement Chart 2018–2023

However, the share prices and company values of the construction sub-sector actually declined. The decline in Tobin's Q and share prices of construction companies will indirectly affect investor perceptions, which will in turn have an impact on company value (Kartikasari & Sihombing, 2024). There are several factors that influence company value, including:

Profitability, a high level of profitability indicates that the company has good performance and promising prospects for the future (Indah Jayanti, 2024). Previous research conducted by Widhyastuti et al. (2022) shows that profitability has a negative impact on CSR value, while research conducted by Novianti et al. (2023) shows that profitability has a positive impact on company value, and CSR does not moderate the impact of profitability on Tobin's Q. And, et al. (2019), Pradika, et al. (2021).

Managerial ownership involves managers who own shares in the company to improve company performance (Sihombing et al., 2023). A study conducted by Widhyastuti et al. (2022) showed that GCG is not significant for Tobin's Q, and CSR does not moderate the relationship between GCG and PBV. Meanwhile, a study conducted by Majid et al. (2024) showed that GCG has a significant positive effect on Tobin's Q through the moderating effect of PBV, and CSR weakens the effect of GCG on Tobin's Q.

Company size is an important consideration for stakeholders. The larger a company is, the more attention it will attract. Investor confidence is also influenced by company size, so large companies will receive more attention than small companies (Novianti et al., 2023). Research conducted by Novanti et al. (2023) shows that size is not significant in determining



company value, while CSR weakens the influence. However, the results of studies conducted by Dan et al. (2019) and Pradika et al. (2021) indicate that size has a positive impact on company value.

The debt to equity ratio (DER) is a ratio used to estimate the extent of a company's dependence on debt in conducting its business activities (Indah Jayanti, 2024). Previous research conducted by Jayanti et al. (2024) showed that capital structure is significant for company value, but research conducted by Maulana et al. (2023) and Kamila et al. (2023) showed that capital structure is not significant for company value.

Based on the above discussion, the researcher aims to further investigate the relationship between profitability, proxied by ROE, KM, firm size, and DER, with Tobin's Q, with CSR as a moderating variable.

LITERATURE REVIEW

Signaling Theory

This signaling theory was first proposed in 1973 by Spence, who explained how a company sends signals to users of financial statements with the aim of explaining information that the company uses to send positive or negative signals to its users. Signaling theory is a management behavior in providing guidance to investors regarding management's views on the company's future prospects (Brigham and Houston, 2012).

Legitimacy Theory

Dowling & Pfeffer (1975) explain that legitimacy is a form of social license obtained by organizations from society. Legitimacy theory is an idea about a social contract between companies and society, in which legitimacy theory provides logical reasons for the legitimacy of organizations, where the influence of the wider community can determine the allocation of financial and other economic resources. Social legitimacy is a strategic factor for companies in developing their business in the future (Rosyada & Astrina, 2019). This is related to CSR, which is the responsibility of companies towards the environment and the surrounding community, both in company activities and the external environment. CSR is regulated by Law No. 40 of 2007 concerning Limited Liability Companies.

Agency cost

Agency cost was developed by Jensen and Meckling (1976) in agency theory, which explains that agency costs arise as a result of conflicts of interest between principals (owners) and agents (managers) in a company. Agency costs include three main types of costs:

1. Monitoring costs
2. Bonding expenditures
3. Residual loss

In public companies, such as in the construction sector, agency costs are important because the owners and managers of the company are separate entities. This inefficiency can have a negative impact on company value (Jensen & Meckling, 1976; Fama & Jensen, 1983). Jensen (1986) argued that the use of debt can reduce agency costs because the obligation to pay interest periodically will encourage financial discipline by management.

Capital Structure

Capital structure is part of debt used to finance a company. Nurhayati (2020) states that when the debt level reaches the optimal level, the company's value will reach its optimal value. Conversely, if the debt level exceeds the optimal level, it will have a negative effect on the company's value (Indah Jayanti, 2024). According to the Pecking Order Theory introduced by Myers and Majluf (1984), companies prefer internal financing (retained earnings) before turning to external debt or equity. This is related to investors' perceptions of risk and the company's financial stability.

Company Value

Company value is the main aspect that investors look at before deciding to invest funds in a company. An increase in company value from year to year is an indication of the company's success in running its business. Company value is crucial because a high company value is associated with higher shareholder prosperity (Brigham and Gapenski, 1996). Husnan (1996) states that company value is the price a potential buyer is willing to pay if the company is sold. Maximizing company value is crucial for a company because maximizing company value also means maximizing shareholder prosperity, which is the primary objective of the company (Salvatore, 2005).

Profitability

Profitability ratios are ratios used to assess a company's ability to generate profits. These ratios also provide a measure of the effectiveness of a company's management (Kasmir, 2019). Profitability can reflect a company's ability to generate profits for its shareholders (Kharisma & Priyadi, 2023). Theoretically, if a company's performance improves, stock prices will reflect this with an increase in stock prices, and vice versa (Sri Artatik, 2007). It can be said that the higher a company's profitability, the more its stock prices will be affected.

Good Corporate Governance

GCG is a system used to direct and control a company so that its objectives can be achieved while ensuring a balance of interests among various related parties (Cadbury Committee, 1992). According to The Indonesian Institute of Corporate Governance, corporate governance is defined as a scheme and structure applied to operate a company, with the main objective of increasing the company's value in the long term while still considering the interests of other stakeholders (Setiawan & Christiawan, 2017).

Company Size

Myers and Majluf (1984) explain that company size can influence capital structure and financial policy. Large companies are more likely to use external financing because of their better reputation and stability. Company size is a reflection of the total assets within a company. According to Brigham and Houston (2011), company size is the average of total net sales for the year in question up to several years later. If sales are greater than variable costs and fixed costs, the result is pre-tax income.

Hypothesis

The effect of Return on Equity (ROE) on Tobin's Q

ROE indicates the level of profit earned by a company. According to the ROE signaling theory, ROE is believed to provide certainty about a company's future prospects. Therefore, a company's ability to continue creating profitable prospects in the future sends a positive signal to investors regarding their decisions (Widhyastuti et al., 2022). Based on research conducted by Widyastuti et al. (2022), Novianti et al. (2023), Alida et al. (2024), Kharisma et al. (2023),



Majid et al. (2022), Zakiah et al. (2023), Jayanti et al. (2024), and Hannawanti et al. (2021) state that return on equity (ROE) has a positive impact on company value.

H1: ROE has a positive effect on Tobin's Q

The Influence of Managerial Ownership on Tobin's Q

Increased management ownership of shares will reduce the tendency of management to take excessive actions in decision-making, thereby aligning the interests of management with those of shareholders. As a result, this has a positive impact on increasing company value (Chaniago & Melani, 2022). Based on research conducted by Chaniago et al. (2022), Yuliusman et al. (2020), Markonah et al. (2020), and Worokinasih et al. (2020), it was stated that managerial ownership has a positive effect on Tobin's Q.

H2: Managerial ownership has a positive effect on Tobin's Q

The Influence of Firm Size on Tobin's Q

The larger the company, the more investors tend to pay attention to it. This is because larger companies have more stable conditions, and this stability attracts investors to own shares in the company. An increase in company size that is not accompanied by an increase in company value will send a negative signal to investors and potential investors. (Zuhri et al., 2023). Based on research conducted by (Zuhri et al., 2023), (Budiantini, 2023), (Marsaulina & Hasyim, 2024), and (Rahmadani et al., 2022), it is stated that company size has a negative effect on Tobin's Q.

H3: Company size has a negative effect on Tobin's Q

The Effect of Debt to Equity Ratio (DER) on Tobin's Q

Capital structure reflects the extent to which a company finances its operational activities and investments through liabilities or debt. Research by Yusra et al. (2019) and Hapsari & Meiranto (2020) shows that high leverage, measured through the debt-to-equity ratio (DER), has a positive effect on firm value. This finding aligns with signaling theory, which states that debt-based capital structure signals to the market about the firm's optimism and ability to manage financial risk. Based on research conducted by (Fadmala et al., 2023), (Kab et al., 2022), (Kab et al., 2022) and (Munandar & Alvian, 2022), it was found that DER has a positive effect on Tobin's Q.

H4: DER has a positive effect on Tobin's Q

Corporate Social Responsibility (CSR) has an impact on Tobin's Q

An increase in company value is also influenced by CSR, which is a company's moral responsibility towards its strategic stakeholders. (Parboteeah & Cullen, 2019) concludes that CSR has a positive effect on company value, meaning that the more a company discloses its social disclosure items and the better the quality of its disclosure, the higher its company value will be. Based on research conducted by Tarjo et al. (2022) and Machmuddah et al. (2020), it was stated that CSR has a positive influence on Tobin's Q.

H5: CSR influences the relationship between the Tobin's Q.

Corporate Social Responsibility (CSR) moderates the influence of Return on Equity (ROE) on Tobin's Q.

Based on the results of the study (Beureukat, 2019) , it is stated that ROE has a positive influence on company value. When a company's profits continue to increase, the dividends received by investors will also increase, or in other words, the welfare of shareholders will improve. Companies with high ROE tend to strive to improve CSR to assure investors that the company not only focuses on short-term impacts (profits) but also on long-term goals of increasing company value (Wulandari & Wiksuana, 2017). Based on research conducted by Widyastuti et al., (2022), Alida et al., (2024), and Kharisma et al., (2023), it is stated that CSR moderates the influence of ROE on Tobin's Q.

H6: CSR moderates the effect of ROE on Tobin's Q

Corporate Social Responsibility (CSR) moderates the influence of managerial ownership on Tobin's Q

The presence of managerial ownership can motivate managers to increase company value. The higher the percentage of managerial ownership a company holds, the higher the motivation of management to disclose company activities such as CSR disclosures. Based on research conducted by Sonia et al., (2022) and Yuliusman et al., (2024), it is stated that CSR moderates the influence of managerial ownership on company value.

H7: CSR moderates the influence of managerial ownership on Tobin's Q

Corporate Social Responsibility (CSR) moderates the influence of firm size on Tobin's Q

In their research entitled " , it is stated that the larger the size of a company, the greater its obligation to carry out CSR. Therefore, companies are expected to be able to disclose their social programs well to enhance their positive image and gain social legitimacy from stakeholders (Priyadi & Chumaidah, 2018) . Based on research conducted by Alida et al., (2024) and Kharisma et al., (2023), it was stated that CSR moderates the influence of company size on Tobin's Q.

H8: CSR moderates the influence of company size on Tobin's Q

Corporate Social Responsibility s (CSR) moderates the influence of Debt to Equity Ratio (DER) on Tobin's Q

A high DER indicates a high level of debt, which allows for monitoring of the ability to pay off that debt. Therefore, if the capital structure is high, the company will reduce the disclosure of its CSR program . Based on research conducted by Hannawanti et al., (2024) and Jihadi et al., (2023), it is stated that CSR moderates the influence of DER on company value.

H9: CSR moderates the influence of DER on Tobin's Q

Based on the background, problem statement, research objectives, theoretical review, and previous studies, the research framework of this study is as follows:

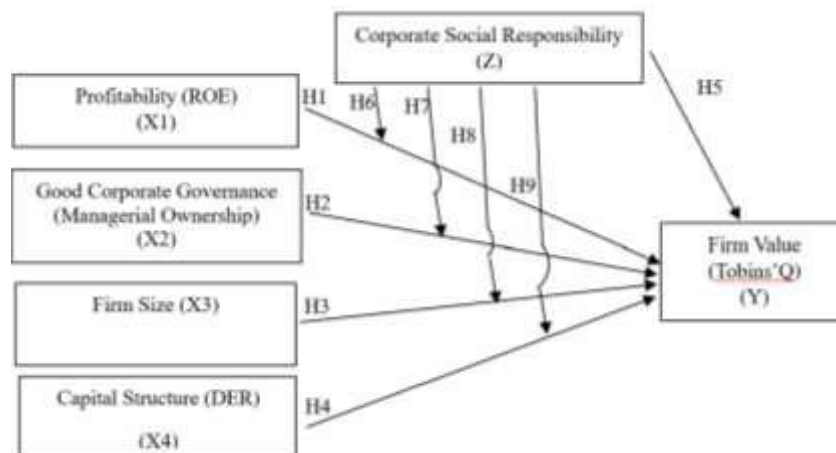


Figure 3 Framework of Study

METHOD

This study uses a quantitative approach, which aims to measure and test the relationship between variables numerically. This study falls under the category of correlational research, where the researcher will analyze the extent to which independent variables (GCG, firm size, profitability, and capital structure) influence the dependent variable (firm value), as well as how corporate social responsibility (CSR) acts as a moderating variable that can strengthen or weaken these relationships. This study utilizes secondary data in the form of time series data spanning six years from the Financial Statements of companies listed on the Indonesia Stock Exchange, specifically construction companies, from 2018 to 2023.

RESULTS AND DISCUSSION

Descriptive Analysis

Descriptive analysis is a statistical method used to analyze data by describing or depicting the collected data as it is, without intending to draw conclusions that apply to the general population or make generalizations (. This analysis provides a descriptive overview of the data through the mean, standard deviation, variance, maximum, and minimum values (see table1).

Table 1 Descriptive

Variable	Minimum	Maximum	Mean	Standard Deviation
ROE (X1)	0.07	81.75000	13.05	18.38173
KM (X2)	0	1.88	0.63777	0.712778
SIZE (X3)	28.63	32.45	30.45	1.356504
DER (X4)	1.14	7.79	3.206389	1.779424
CSR (Z)	0.18	0.76	0.432778	0.173116
Tobin's Q (Y)	0.68	11.95	2.7147	3.718047

Source: Data processed using Eviews 12

Results of Panel Data Regression Model Selection

Regression analysis on panel data uses three main approaches, namely the common effect model (CEM), fixed effect model (FEM), and random effect model (REM).

Chow Test

The Chow test is used to compare the Common Effect Model and the Fixed Effect Model.

Table 2 Results of the Chow Test

Effects Test	Statistic	d.f.	Probability
Cross-section F	46.927463	(5, 25)	0
Cross-section Chi-square	84.254756	5	0

Source: Data processed using Eviews 12

Based on **Table 2** the results of the Chow test, the probability value for Cross-section F and Cross-section Chi-square is 0.0000, which is less than the significance level of 0.05. Thus, H_0 is rejected, indicating that the Fixed Effect model is more appropriate than the Common Effect model.

Hausman Test

The Hausman test in **Table 3** aims to compare the Random Effect Model with the Fixed Effect Model.

Table 3 Hausman Test Results

Test Type	Chi-Sq. Statistic	d.f.	Probability
Cross-section random	234.637314	5	0

Source: Data processed using Eviews 12

The Chi-Square statistic value obtained was 234.637314 with a degree of freedom (df) of 5 and a probability value of $0.0000 < \text{significance level of } 5\% (0.05)$, therefore the null hypothesis (H_0) stating that the Random Effect model is more appropriate is rejected. Therefore, it is concluded that the Fixed Effect model is more appropriate for use in this study compared to the Random Effect model.

Panel Data Model Results

Based on the results of the model selection test for panel data regression, it was found that the Fixed Effect Model is the selected and most appropriate estimation model approach for use in this study. Table 4 below shows the results of the Fixed Effect Model as follows:

Table 4 Results of the Fixed Effect Model (FEM)

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	61.63799	17.31643	3.559509	0.001
ROE	-0.031486	0.038348	-0.821082	0.4181
KM	-1.373271	0.814025	-1.687013	0.1020
SIZE	-2.066767	0.589929	-3.503415	0.0015
DER	1.083864	0.513894	2.109118	0.0434
CSR	4.223136	3.249075	1.299796	0.2036
ROE → CSR	0.00156	0.002763	0.567	0.5732
KM → CSR	-0.042163	0.0914	-0.460053	0.6481
SIZE → CSR	0.077247	0.164387	0.470768	0.6394
DER → CSR	0.0245	0.104015	0.2354	0.8153

Source: Data processed using Eviews 12



The regression equation generated from the model in Table 4 is as follows:

$$\text{Tobins'Q} = 61.63799 - 0.031486 \cdot \text{ROE} - 1.373271 \cdot \text{KM} - 2.066767 \cdot \text{Size} + 1.083864 \cdot \text{DER} + 4.223136 \cdot \text{CSR} + 0.001567 \cdot \text{ROE_CSR} - 0.042163 \cdot \text{KM_CSR} + 0.077247 \cdot \text{SIZE_CSR} + 0.024536 \cdot \text{DER_CSR}$$

F-Statistic Test Results

Table 5 F-Statistic Test

Statistics	Test Results	Conclusion
3.362586	0.01574	Accept

Source: Data processed using Eviews 12

Based on **Table 5** the F-test results, the F-statistic value is 3.362586 with a probability level (Prob) of 0.015742. Since this probability value is less than the significance threshold of 0.05, the null hypothesis (H_0) is rejected. This indicates that, simultaneously, all independent variables in the model have a significant effect on the dependent variable.

Results of the t-Statistic Test

Table 6 Results of the t-Statistic Test (Partial)

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	61.63799	17.31643	3.559509	0.0013
X1 ROE	-0.031486	0.038	-0.821082	0.4181
X2 KM	-1.373271	0.814025	-1.687013	0.1020
X3 SIZE	-2.066767	0.589929	-3.503415	0.0015
X4 DER	1.083864	0.513894	2.109118	0.0434
Z CSR	4.223136	3.249075	1.299796	0.2036

Source: Data processed using Eviews 12

Based on the table 6 presented, it can be concluded that in the fixed effect model for the study, the results are as follows:

1. The constant in this equation model has a value of 61.63799 with a probability of 0.0013.
2. ROE has a coefficient of 0.031486 (negative) with a probability of 0.4181. Therefore, it is known that ROE does not have a significant effect on the dependent variable partially.
3. The KM variable has a coefficient of 1.373271 (negative) with a probability of 0.1020. This indicates that KM does not have an effect on Tobin's Q.
4. The size variable has a coefficient of 2.066767 (negative) with a probability of 0.0015. This indicates that size has a negative effect on Tobin's Q.
5. DER has a coefficient of 1.083864 and a probability of 0.0434. This indicates that DER has a positive and significant effect on Tobin's Q.
6. CSR has a coefficient of 4.223136 with a probability of 0.2036. This indicates that CSR has no positive influence on Tobin's Q.

Moderated Regression Analysis (MRA)

Table 7 Results of the Moderation Test (CSR Interaction Regression)

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	61.63799	17.31643	3.559509	0.001
ROE → CSR	0.00156	0.00276	0.56789	0.5732
KM → CSR	-0.042163	0.0914	-0.460053	0.6481
SIZE → CSR	0.077247	0.164387	0.470768	0.6394
DER → CSR	0.024536	0.104015	0.235467	0.8153

Source: Data processed using Eviews 12

1. Base on **Table 7** The coefficient is 0.001567 with a probability of 0.5732 (> 0.05). Therefore, it can be concluded that CSR does not moderate ROE against Tobins' Q.
2. Given a coefficient of -0.042163 with a probability of 0.6481 (> 0.05), it can be concluded that CSR cannot moderate KM on Tobins' Q.
3. The coefficient is 0.077247 with a probability of 0.6394 (> 0.05). Therefore, it can be concluded that CSR cannot moderate size on Tobins' Q.
4. The coefficient is 0.024536 with a probability of 0.8153 (> 0.05). Therefore, it can be concluded that CSR cannot moderate DER on Tobins' Q.

Coefficient of determination (R^2)**Table 8 Results of the Coefficient of Determination (R^2) Test**

R-squared	Adjusted R-squared
0.359	0.252

Source: Data processed using Eviews 12

Base on **Table 8** The R-squared value of 0.3592 indicates that the regression model used can explain 35.92% of the variation in Tobin's Q. The adjusted R-squared value of 0.2523 means that after adjusting for the number of independent variables, the model can explain approximately 25.23% of the variation in company value. The remaining 74.77% is influenced by other variables not included in this research model.

DISCUSSION**The influence of Return on Equity (ROE) on Tobin's Q**

In this study, return on equity (ROE) did not have a significant effect on Tobin's Q. Spence (1973) explained that companies with high return on equity (ROE) can send positive signals to the market, but in this context, these signals may be hindered by uncertainty related to the projects being carried out. The results of this study are consistent with previous studies by Ramadhan et al. (2020), Daeli et al. (2023), Alida et al. (2024), and Majid et al. (2024), which found that return on equity (ROE) does not have a significant effect on Tobin's Q.

The Influence of Managerial Ownership on Tobin's Q

KM does not have a significant effect on Tobins' Q. This is due to the low proportion of share ownership by managers, which makes them minority shareholders in the company. With such limited ownership, managers do not have sufficient control to significantly influence the direction of company policy. The final results of this study are consistent with the findings of Sadiq et al. (2020) and Riyadh et al. (2022), which indicate that managerial ownership does not have a significant effect on Tobin's Q.

The Influence of Firm Size on Tobin's Q

Company size has a significant negative effect on Tobin's Q. This phenomenon may be caused by challenges in managing large companies, such as low managerial efficiency, complexity in



asset management, or limited adaptability to market dynamics. Research by Kharisma et al. (2023) aligns with this study, showing that large companies tend to face difficulties in optimizing resources, which can hinder market value creation.

The influence of Debt to Equity Ratio (DER) on Tobin's Q

DER has a significant positive influence on Tobin's Q. The results of this study are in line with the theory proposed by Modigliani and Miller (1963), which states that the use of debt has the potential to increase Tobin's Q through tax efficiency, provided that risk is managed properly and market conditions remain stable. The results of this study are consistent with previous research by Jihadi et al. (2021) and Sopian et al. (2021), who found that the debt-to-equity ratio (DER) has a significant positive effect on Tobin's Q.

Corporate Social Responsibility (CSR) influences Tobin's Q.

's CSR does not affect Tobin's Q. The lack of investor response to the company's efforts to demonstrate concern for economic, social, and environmental aspects is one of the reasons why CSR does not affect company value. This study is in line with previous studies by Ramadhan et al. (2020), Widyastuti et al. (2022, October), and Chaniago et al. (2022).

Corporate Social Responsibility (CSR) moderates the influence of Return on Equity (ROE) on Tobin's Q.

CSR is unable to moderate ROE with respect to Tobin's Q. One reason why CSR is ineffective as a moderating variable in the relationship between ROE and Tobin's Q is related to the market's greater focus on a company's financial performance rather than on its social responsibility efforts. The findings of this study align with those of Ramadhan et al. (2020), Daeli et al. (2023), and Novianti et al. (2023).

Corporate Social Responsibility (CSR) moderates the influence of managerial ownership on Tobin's Q.

's CSR was unable to moderate the influence of km on Tobin's Q . This finding is not supported by signaling theory, as this theory suggests that the larger the size of a company and accompanied by the publication of CSR reports, it should send a positive signal regarding the company's sustainability, thereby attracting investor interest to invest. These results are consistent with the findings of studies conducted by Chaniago et al. (2022), Daeli et al. (2023), and Majid et al. (2024).

Corporate Social Responsibility (CSR) moderates the influence of company size on Tobin's Q

CSR does not play a moderating role in the relationship between company size and Tobin's Q. This result shows that the size of a company does not always align with the intensity or quality of CSR disclosure. In other words, larger companies are not necessarily more active in communicating their social responsibilities to the public. These results are consistent with the findings of studies conducted by Widyastuti et al. (2022), Novianti et al. (2023), and Kharisma et al. (2023).

Corporate Social Responsibility (CSR) moderates the influence of the Debt to Equity Ratio (DER) on Tobin's Q.

CSR is unable to moderate DER against TOBIN'S Q. High debt ratios in DER can encourage management to reduce CSR program implementation as a strategy to avoid attention from creditors (Nuansari et al., 2020). The company's focus also tends to shift toward efforts to increase profitability rather than expanding debt financing, resulting in CSR activities being less prioritized (Pradnyani et al., 2015).

CONCLUSIONS AND SUGGESTIONS

Referring to the explanation and analysis presented in the previous chapter, several conclusions can be drawn from this study: ROE, KM, and CSR do not affect Tobin's Q. Size has a negative effect on Tobin's Q. DER has a positive effect on Tobin's Q. Furthermore, in the moderation analysis, CSR was not found to be a moderator in the relationship between ROE, KM, Size, and DER and Tobin's Q.

Construction companies must pay attention to their debt to equity ratio (DER) because proportional use of debt can increase company value. Debt used wisely can serve as leverage for business expansion and send a positive signal to investors that the company has strong prospects. However, companies must also pay attention to company size, as growth in scale that is not accompanied by efficiency can lower investor perception. Return on equity (ROE) and managerial ownership are also crucial. Therefore, companies need to improve operational efficiency and financial transparency to ensure profitability better reflects performance that is valuable to investors. Additionally, companies are advised to reassess their managerial stock ownership schemes and strengthen performance-based incentives to more effectively drive increases in company value.

Companies should also pay attention to their commitment to corporate social responsibility (CSR) and the environment as added value that can increase their attractiveness in the eyes of investors, given that business prospects are now increasingly assessed based on non-financial dimensions in addition to financial performance.

Future researchers are encouraged to extend the research period and increase the sample size to obtain a more representative sample of the actual conditions. Additionally, future researchers are encouraged to test other variables that are suspected to influence company value.

References

- Beureukat, B. (2019). The Influence of Profitability on Company Value with Corporate Social Responsibility as a Moderating Variable in Mining Companies Listed on the Indonesia Stock Exchange. *Oikonomia: Journal of Management*, 14 (1)
- Budiantini, A. (2023). The Influence of Firm Size and Financial Performance on Firm Value. *Inovasi*, 10 (2), 496. <https://doi.org/10.32493/inovasi.v10i2.p496-506.36304>
- Chaniago, S., & Melani, M. M. (2022). The Influence of Good Corporate Governance on Firm Value with Corporate Social Responsibility as a Moderating Variable (An Empirical Study on Manufacturing Companies Listed on the Indonesia Stock Exchange during the Period 2016-2018). *Karimah Tauhid*, 1(5), 713–728.
- Fadmala, R., Santoso, B., & Hidayati, S. A. (2023). The Effect of Capital Structure on Firm Value with Profitability as an Intervening Variable. *JPIN: Jurnal Pendidikan Indonesia*, 6 (1), 42–60. <https://doi.org/10.47165/jpin.v6i1.484>
- Ivon Nurmas Ruroh, S. W. L. (2018). The Influence of Profitability, Leverage, Firm Size, and Risk Minimization on Corporate Social Responsibility (CSR) Disclosure (An Empirical Study on Mining Companies Listed on the Indonesia Stock Exchange during the Period 2015–2016). *Nucleic Acids Research*, 6 (1)
- Kab, G., Selatan, H., Hasyim, A., & Muhammad, M. (2022). *The Influence of Capital Structure, Profitability, Firm Size, and Ownership Structure on Firm Value of Companies Listed on the Indonesia Stock Exchange*. 1(8), 1923–1928.
- Kasmir. (2019). *Introduction to Financial Management* (2nd Edition). Prenadamedia Group.



- Marsaulina, M. A., & Hasyim, D. (2024). The Influence of Company Size, Financial Flexibility, and Capital Structure on Company Value in the Consumer Cyclical Sector on the Indonesia Stock Exchange during the Period 2018-2022. *EKOMA: Journal of Economics, Management, Accounting*, 4 (1)
- Munandar, A., & Alvian, R. (2022). The Influence of Debt to Equity Ratio, Net Profit Margin, and Cash Ratio on Firm Value. *Journal of Accounting and Finance*, 4 (7), 2682–2690. <https://journal.ikopin.ac.id/index.php/fairvalue>
- Parboteeah, K. P., & Cullen, J. B. (2019). Corporate Social Responsibility. *Business Ethics*, 673–725. <https://doi.org/10.4324/9781315180663-17>
- Priyadi, M. P., & Chumaidah. (2018). The Influence of Profitability and Size on Firm Value with CSR as a Moderating Variable. *Journal of Accounting Science and Research*, Vol 07, No 03, 20.
- Rahmadani, L., Sagala, D. M., Barokah, M. A., Akuntansi, P. S., & Ekonomi, F. (2022). *The Influence of Capital Structure, Firm Size, and Profitability on Firm Value*. 6, 2160–2164.
- Sugiyono, D. (2019). *Quantitative, Qualitative, and R&D Research Methods*.
- Widhyastuti, D., Widiasmara, A., & Devi, H. P. (2022). The Influence of Profitability, Slack Resources, and Good Corporate Governance on Firm Value with Corporate Social Responsibility as a Moderating Variable in Mining Companies Listed on the Indonesia Stock Exchange (IDX) in 2017-2020. *Business Management and Accounting Innovation Seminar (SIMBA) 4, September 2022*.
- Wulandari, N. M. I., & Wiksuana, I. G. B. (2017). The Role of Corporate Social Responsibility in Moderating the Influence of Profitability, Leverage, and Company Size on Company Value. *E-Journal of Management Unud*, 6(3), 1278–1311.
- Zuhri, S., Susilowati, R., & Ujiantara, H. (2023). The Influence of Company Size and Leverage on Firm Value in Food and Beverage Sub-Sector Companies Listed on the Indonesia Stock Exchange. *Accounting and Finance of Entities*, 3(2), 52–66.