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The Effect of Corporate Social Responbility (CSR) and Company Reputation on Company Value with Profitability as Moderation (Study of Pharmaceutical Companies Listed on the IDX in 2019-2022)

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ABSTRACT

Objective: *This research aims to determine the effect of CSR and company reputation on company value with profitability as moderation.* ***Method:*** *This sample uses pharmaceutical companies registered on the IDX in 2019-2022. The data analysis technique used is descriptive statistical analysis, using the MRA (Moderate Regression Analysis) multiple regression analysis method, using the Statistical Package for Social Sciences (SPSS) software version 26.* ***Result:*** *The results of this research prove that CSR has a positive effect on company value. Meanwhile, the company's reputation has a positive effect on company profitability. The existence of profitability as a moderating variable can moderate the company's reputation well; however, CSR weakens it.* ***Novelty:*** *The implication of this research is to increase information for investors about the importance of CSR communication and company reputation to company value.*

INTRODUCTION

In today's business world, financial reports are not the only benchmark for evaluating a company's performance. Prospective investors do not rely solely on strict financial information, and companies no longer think only about product competition between companies, but must also pay attention to consumers, so that companies are more valued, and consumers can represent their own interests in both products and services that can improve the company [1].

The maximum assessment of a company is reflected in its survival, so that the company's value can be maintained reasonably [2]. According to [3], the value of a company is the market value or price of its shares, securities, capital, and liabilities. This means that the value of a company is a general assessment of the company, which is related to investors' perceptions of the price of the shares issued, the shares themselves, and the income generated by the company. Company value increases when the company succeeds in maximizing the welfare and wealth of shareholders [2].

The company's image reflects the values, words, and actions of employees individually and collectively. If environmental protection is one of the company's core issues, then environmental responsibility and protection are reflected in several characteristics of the company that are perceived by consumers and the community. If a company reinforces a set of characteristics that are in line with its values and encourages the behavior of its employees, then the company can prosper beyond its competitors in the long term and have a good reputation in the future [4].

Amidst the ongoing pandemic, pharmaceutical companies once again posted excellent performance in the third quarter of 2021. Similar to companies that manage hospitals, pharmaceutical companies were also able to significantly increase their sales and profits thanks to the pandemic, which led to an increase in sales of medicines and diagnostic tools. Based on data from the Indonesia Stock Exchange (IDX), six issuers reported their third quarter 2021 performance, namely PT Indofarma Tbk (INAF), PT Itama Ranoraya Tbk (IRRA), and PT Kalbe. Farma Tbk (KLBF), PT Millennium Pharmacon International Tbk (SDPC), PT Sido Muncul Tbk (SIDO) Jamu and Pharmaceutical Industries Tbk (SIDO), and the issuer that was recently acquired after its IPO, PT Tempo Scan Pacific Tbk (TPSC). Based on financial reports released by the Indonesia Stock Exchange (IDX), sales for the six companies that submitted their third-quarter interim reports increased, even significantly. https://www.cnbcindonersia.com

The highest revenue growth was recorded by IRRA, which posted Rp 141.05 billion in the third quarter of this year, up 670% from Rp 9.03 billion in the same period last year. At the same time, sales growth in the other four pharmaceutical markets was much lower than that of IRRA and INAF. Kalbe Farma's sales increased by 12% to 19.10 billion rubles compared to 17.07 billion rubles at the end of September last year. Kalbe Farma's turnover was also the largest among other pharmaceutical companies. SDPC's revenue rose 16% to 2.27 trillion rubles from 1.95 trillion rubles previously. Meanwhile, Sido Muncul's herbal medicines and supplements posted a 23% increase in sales to Rp2.77 trillion from Rp2.25 trillion. Finally, Tempo Scan recorded low revenue, growing only 3% to Rp8.34 billion at the end of the third quarter of this year, compared to Rp8.09 billion in the same period in 2020. https://www.cnbcindonersia.com

One of the reasons for this increase in sales was the high demand for medicines, including generic drugs, over-the-counter drugs, and alternative medicines. In addition, there was an increase in sales of diagnostic test kits, especially for testing Covid-19 symptoms, which saw a significant surge in sales. Before the government lowered prices, the cost of diagnostic tests fluctuated depending on how long it took to get the results. Some operators even paid high prices for Covid-19 testing. However, these companies have not yet received the income they generated from the Covid testing business. Indofarma, which increased its sales in that quarter, said its drug sales increased by 100% to Rp904.86 billion from the previous Rp440.77 billion. Additionally, revenue from the sale of medical devices and diagnostic tools increased significantly from IDR 286.75 billion to IDR 564.01 billion. Although not focused on prescription drug sales, sales of Sido Muncul herbal medicines and food supplements also increased significantly to Rp1.770 billion from the previous Rp1.44 trillion. In addition, state-owned Indofarma grew 100% from Rp749.25 billion to Rp1.49 trillion. https://www.cnbcindonersia.com

Growing companies maintain their business advantages to increase company value. In this case, company value is one of the most important values for attracting investors. Company value is an important concept for investors because it is an indication of a good company [5] and CSR plays one of the most important roles in increasing company value as a result of increased company turnover through the implementation of CSR activities around the world. Company value is very important because it reflects how much profit it can generate for investors. To maximize shareholder wealth, it is necessary to make various financial decisions that are acceptable and have an impact on increasing company value [3]. The same applies to the ups and downs of market share, which is automatically related to the growth rate and value of the company. Therefore, optimization is needed in the implementation of company evaluations, so that more information is needed about corporate social responsibility, namely social responsibility and company reputation.

The positive impact is the implementation of Corporate Social Responsibility (CSR), which is to establish commitments based on stakeholder decisions and company operating systems. Law No. 47 of 2012 concerning corporate social responsibility explicitly regulates the obligation for all types of businesses to report their social responsibility in each vocational school. This regulation was issued by the Indonesian government to implement Law No. 74.40/2007 concerning PT. The purpose of this government regulation is to continue the economy by improving the local community environment and harmonious relations between the surrounding community and the company. This government regulation states that companies whose businesses are related to natural resources must implement environmental and social responsibilities [6]. In research on the relationship between corporate social responsibility and corporate reputation, it was found that the results of this study on corporate reputation were strongly and positively influenced by corporate social responsibility (CSR) activities. Other research results show that there is a significant relationship between CSR and corporate reputation [7].

Corporate reputation is an unexplored field that is no longer relevant. Scientific literature on this topic has grown significantly over the past two decades. New insights from theoretical and empirical research show that reputation is an important asset that can create competitive advantage and improve company performance. A company's reputation also encompasses different patterns of behavior and social opinions, which are certainly based on the reality that describes the company's identity. Reputation is a collective assessment of a company by observers based on an assessment of the economic, social, and environmental impacts that the company has caused over time. Reputation reflects the collective perception of a company's ability to deliver capabilities and value. It functions as an “interpretive framework within which stakeholders can assess the likelihood that the organization will continue to exhibit its characteristics in the future” [8]. The results of the study show that company reputation has a positive effect on the development of company value. Research conducted by Daromers [9] shows that company reputation influences company value. It positively predicts company reputation, which statistically has no significant impact on company value. This indicates that the reputation built by the company has a positive effect on stakeholder reactions to the company's share price, but does not have a significant effect on company value through the offered share price.

This study adds the moderating variable of profitability. Profitability can increase social responsibility, because part of the company's profits are dedicated to the implementation of CSR programs as a company commitment to increase shareholder value, a statement that is supported by research [10]. Companies with good profitability can create stability in the implementation of CSR programs, because CSR programs require funds from the natural absorption of company profits to increase company value, which increases the company's social responsibility. And publish their CSR in a more comprehensive annual report. In making investment decisions, potential investors also consider the profitability achieved by the company, in addition to income and social responsibility. Due to the high demand for investment from investors because of the company's high profitability, it can be assumed that this will increase the company's value. According to [11], high profitability resonates well with investors because it can boost stock prices and add value to the company. [10], [12] state that profitability can moderate the relationship between CSR and company value. This is because part of the company's profits are used for the company's social responsibility programs. By utilizing the profits earned by the company, it can ensure the company's survival based on its operations.

Based on the above background, this study develops the research from [1]. What distinguishes this research from similar research is the addition of a moderating variable. In similar research, this could be due to differences in research methods, subjects, and time periods. In this research, the PLS technique is used. The reason this study focuses on the pharmaceutical industry in the Indonesia Stock Exchange is because pharmaceutical companies are companies in a strategic industry with very high turnover and company shares in this industry are relatively stable in various economies. Companies in this category rarely expand, so they can regularly pay dividends every year. The objectives of this research are to understand the extent to which social responsibility statements affect company value, how social responsibility affects company reputation, and how social responsibility affects company reputation, depending on company value. In this study, there are still many researchers who combine CSR, company reputation, and company value. As a distinction between this study and other similar studies, we also examine whether the impact of CSR on corporate value can be moderated by profitability.

This study was conducted to demonstrate the importance of CSR communication and corporate reputation on corporate value. Based on the above description, there are several inconsistencies in the results of previous studies, encouraging researchers to conduct new studies that can refine the existing research.

Hypothesis Development

The Effect of CSR on Company Value

The theory related to corporate social responsibility is stakeholder theory, which states that business cannot be separated from social and environmental issues, problems, and phenomena. This is why companies need to maintain their legitimacy by stating that CSR can help increase shareholder value by reducing information asymmetry and non-recurring losses in order to achieve corporate goals and stability [13]. If companies pay attention to the three dimensions of economy, society, and ecology, then the growth of company value is guaranteed, because this is sustainable development, namely a balance between economic, environmental, and social benefits. This dimension is based on the fact that corporate social responsibility is a form of responsibility and concern for the environment surrounding the company [14]. When compared with profitability, the dominant result is that CSR has a significant positive impact on company value. Thus, the company's social responsibility plan can be well socialized in line with the company's operational conditions. Companies can increase their popularity and credibility in the corporate environment, both externally and internally, which involves three aspects: social, economic, and environmental, as well as creating a positive image for the corporate community [13]. These results are in line with the research [10].

H1: CSR has a positive effect on company value

The Influence of Company Reputation on Company Value

A good company reputation has strategic value for its owners, and the side effect is that the company will be more competitive than its competitors and can achieve higher profits. Research [1] shows that a good company reputation has the characteristic of being non-transitory, which can give the company a competitive advantage, thereby generating abnormal returns. The statement in [15] explains that companies with a good reputation tend to maintain their performance even in crisis situations. Based on the above reasons, empirical evidence can be used to conclude that a good reputation is important because it has the potential to create value for the company and ultimately increase the company's value. Research conducted by [9] shows the impact of company reputation on company value. Statistical tests positively predict that company reputation affects company value, but this is not statistically significant. This indicates that the reputation built by the company will have a positive impact on the response of stakeholders to the company's share price, but will not significantly affect the company's value as represented by the issued share price.

H2: Company reputation has a positive effect on company value

The Effect of CSR on Company Value with Profitability as a Moderator

Profitability refers to a company's ability to generate net income from activities carried out during the accounting period, which will become the basis for the company's dividend distribution. High company profitability will increase the confidence of managers (insiders) and may even increase their ownership because they receive dividends as a result of high returns [16]. The results of research [17] indicate that profitability acts as a moderating variable in the relationship between corporate social responsibility and company value. because the better the company's performance in improving the economy, environment, and social environment, the more investors will pay attention to the company's social responsibility. With increasing interest in investing in company shares, the value of the company will increase. As a result, investors will be more interested in investing their funds in companies that preserve the environment and prioritize the interests of stakeholders.

H3: Profitability strengthens the influence of CSR on company value.

The Influence of Company Reputation on Company Value with Profitability as a Moderator

Company reputation is a valuable asset in business. A good reputation gives companies a competitive edge by influencing the perceptions and views of stakeholders towards the company. Many studies have shown that this is related to good company reputation, better performance, higher business growth, and greater long-term shareholder value. However, there are still things that need to be explored further in order to understand the deeper relationship between company reputation, company value, and other influencing factors. One factor that can moderate the relationship between company reputation and company value is profitability. Sustainability is a fundamental indicator of a company's financial performance and reflects its efficiency. Companies generate sustainable profits. In this case, there is a hypothesis that profitability can moderate or weaken the relationship between company reputation and company value. Theoretically, this research is based on company reputation theory, company value theory, and company scarcity theory. It is hoped that this research will make a significant contribution to expanding our understanding of the importance of corporate reputation and profitability for corporate value creation, as well as the limiting factors that can influence this relationship. This is in line with the research [18] which states that profitability moderates the relationship between corporate reputation and corporate value. More specifically, company reputation will have a greater influence on company value when profitability is high, and its influence will be weaker when profitability is low.

H4: Profitability strengthens the influence of company reputation on company value.

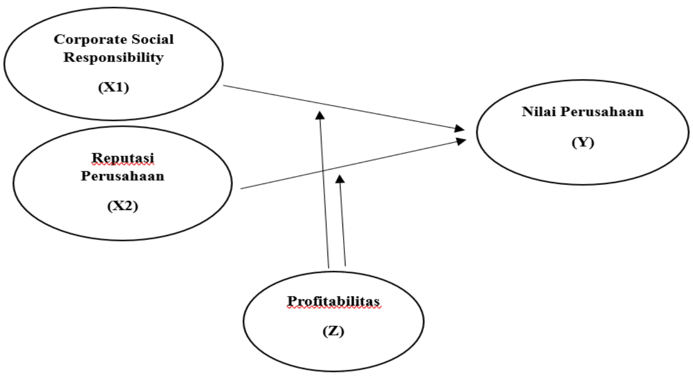

Figure 1. Research Conceptual Framework.

RESEARCH METHOD

Type of Research

This study uses quantitative research methods. Quantitative data is data that can be measured or calculated and expressed in numerical form. Quantitative research is a research method based on positivism philosophy, which can be used to study samples systematically. This research involves data collection, data/statistical analysis, with the aim of describing and testing the established hypothesis [19].

Types and Sources of Data

This study uses securities data, namely data provided by pharmaceutical companies listed on the IDX in the form of financial reports or data that is not directly presented by the company. The data consists of annual reports on the Indonesia Stock Exchange (IDX), namely www.idx.com.

Population and Sample

The population of this study was pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022, totaling 9 companies. The sampling technique used in this study was purposive sampling. The criteria for sample selection in this study were as follows:

Table 1. Research Criteria and Sample Size.

Description	Number
Pharmaceutical Companies Listed on the IDX 2019-2022	9
1. Pharmaceutical companies that did not publish annual reports for 2019-2022	(0)
2. Pharmaceutical companies that did not experience losses in 2019-2022	(0)
3. Pharmaceutical companies that published annual reports using currencies other than the Indonesian rupiah (IDR)	(0)
Research Sample	9
Total Sample n x period	36

Table 2. Definition of Variables, Identification of Variables.

Variable	Definition	Indicator
Company Value (Y)	Company value refers to the value of a company as determined by the company after several years of operation (i.e., since the company was founded), and reflects public confidence in the company. An increase in company value is a measure of achievement that is in line with the expectations of stakeholders. Company value is the perception of investors towards the company [1].	Tobin's Q, which is used in this study, is calculated using the Q ratio modified by Lerer et al. (2019) [1]. TOBINS Q= $\frac{MVE+D}{TA}$ Q: Company value, MVE : Market value of equity (Equity Market Value), which is obtained from the multiplication of the closing price of shares at the end of the year by the number of shares outstanding at the end of the year, DEBT: Total company debt, TA: Total assets

CSR (X1)	CSR is a form of corporate responsibility for social issues. In this study, CSR will be measured using content analysis. The standard for measuring corporate social responsibility is the GRI G4 Standard issued by the Global Reporting Initiative (GRI) in 2016. CSR is the ratio of the number of items disclosed to the number of items that should be disclosed [20].	CSR = $\frac{Number\ of\ scores\ obtained}{Number\ of\ standard\ items}$ Source : [1]
Reputation (X2)	Company reputation can be defined as the image of a company in the eyes of the public. The measurement of company reputation in this study adopts the Corporate Image Index (CII), which consists of four dimensions of company quality, performance, accountability, and attractiveness, and the score is determined by the weighted average of each respondent group. The investor group accounts for 30%, journalists 20%, and the public 10%. If the score is higher than 1 and is in the top 3, then the company's reputation is considered good [1].	The company reputation measurement in this study adopts the Corporate Image Index (CII). I = Receives the Corporate Image Award O = does not receive the Corporate Image Award Source : [1]
Profitability (Z)	Profitability is a ratio that indicates the company's ability to generate returns from its potential. The existence of a profitability ratio is very important for business owners to understand the extent to which the company is able to generate profits. When profitability is high, investors are attracted and invest in the company [21].	ROA = $\frac{\text{Net Profit After Tax}}{Total\ Assets}$ Source : [13]

Technical Data Analysis

The data analysis technique used in this study is descriptive statistical analysis, using the multiple regression analysis (MRA) method. Therefore, SPSS Statistics version 26 software was used. The researcher examined the influence of several variables on Corporate Social Responsibility (CSR) and Company Reputation on Company Value. Descriptive statistical analysis was used to explain the variables in this study. Classical assumption tests were applied to observe whether the data distribution was normal and the model did not contain indications of multicollinearity, autocorrelation, and heteroscedasticity. The coefficient of determination and F test were used to examine the suitability, and the (partial) t-test was used to examine the influence of independent variables on dependent variables. The internal model measurement is used to determine the influence between variables or constructs in the model [22].

Classical Assumption Test

This study uses a classical assumption test. There are four tests in the classical assumption test, consisting of:

1. **Normality Test**

The normality test is conducted to determine whether there are independent variables or residuals that have a normal distribution in the regression model. A good regression model is one with a normal data distribution, i.e., data with a significance value > 0.05 or close to it.

2. **Multicollinearity Test**

The multicollinearity test is designed to examine whether there is a correlation between the independent variables in the regression model. The test is used to examine whether the variables are correlated with the regression model or not. If the data does not have multicollinearity, this can be determined when the tolerance value is greater than 0.10 and the VIF value is less than 10[23].

3. **Autocorrelation Test**

The autocorrelation test is used to determine whether there is autocorrelation between the error in year t and the error in year t-1 (the previous year). The value used is the Durrbin Watson value in the linear regression model. If correlation occurs, then autocorrelation is declared [24].

4. **Heteroscedasticity Test**

This heteroscedasticity test examines whether there are unequal variances in the residuals of the research model. The regression model required is the residual variance of the observation model for other constant observations, or homoscedasticity. The requirement is that the significant value of the variable is > 5.

Coefficient of Determination (R2)

"Basically, the coefficient of determination (R2) is used to measure how well the model explains the variation in the dependent variable" [25]. The coefficient of determination (R^2) is used to compare the ability of the model to apply the variation of the dependent variable. The value ranges from 0 to 1. The closer the value is to 1, the more the dependent variable will share almost all of the information used in estimating the variation of the dependent variable [25].

(T-test)

The t-statistic test is used to see the significance level of the regression coefficient [25]. With the conclusion that if the t-value is less than (greater than) 0.05, then it is rejected or the independent variable has no effect on the dependent variable. And if the t value is > (greater than) 0.05, then it is accepted that the independent variable has an effect on the dependent variable. The T statistical test is performed to determine the extent to which the influence of a variable is significant/independent individually in explaining the variation of the dependent variable.

RESULTS AND DISCUSSION

Results

The results of the descriptive statistical test summarize or describe the information from each variable used in this study by displaying the minimum, maximum, mean, and standard deviation values. The results of the descriptive statistical test for each variable are presented in Table 3 as follows:

Table 3. Descriptive Statistics of Research Variables.

Descriptive Statistics					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Company Value	36	97436768.00	8255811691.00	2195286097.0278	1939715935.38699
Corporate Social Responsibility	36	67032967.00	813186813.00	564224663.8889	202506154.23197
Company Reputation	36	.00	1.00	.7500	.43916
Profitability	36	-279326954.00	270667573.00	51119897.4931	86600400.34612
Valid N (listwise)	36				

Source: Data processed using SPSS 26 (2023)

The results of our SPSS analysis indicate that there are 70 variables in the research sample (N). The following is an explanation of each variable:

a. Table 3 shows the variable value of Company Value, which is the average value of 36 pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) in the study, amounting to 2195286097. 0278 with a standard deviation of 1939715935.38699. The highest value is 8255811691.00. Meanwhile, the lowest value is -97436768.00.

b. Table 3 shows the Corporate Social Responsibility variable value, which is the average value of 36 pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) in the study, which is 564224663. 8889 with a standard deviation of 202506154.23197. The highest value is 813186813.00. Meanwhile, the lowest value is 67032967.00.

c. Table 3 shows the average value of the Company Reputation variable of 36 pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) in the study is 0.7500 with a standard deviation of 0.43916. The highest value is 1.00. Meanwhile, the lowest value is 0.00.

d. Table 3 shows the average profitability variable value of 36 pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) in the study, which is

51119897. The standard deviation is 86600400.34612. The highest value is 270667573.00. Meanwhile, the lowest value is -279326954.00.

Classical Assumption Test

Classical assumption testing was conducted in this study to determine the validity of the research model. This test was conducted to ensure that the regression model used had been tested for normality, multicollinearity, autocorrelation, and heteroscedasticity. The following are the results of the classical hypothesis test conducted on the evidence applied in this study.

Normality Test

Table 4. Results of the One-Sample Kolmogorov-Smirnov Normality Test.

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residural
N		36
Normal Parameters[a,b]	Mean	-.0000001
	Std. Deviation	1788996125.1372561 0
Most Erxtreme Differrences	Absolurte	.147
	Positive	.147
	Nergative	-.083
Test Statistic		.147
Asymp. Sig. (2-tailed)		.077[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lillierfors Significance Correrction.

Based on Table 4, it can be seen that the value of Ashimp. Sig. is 0.077, which is greater than α = 0.05. Based on the normality test results using the Kolmogorov Smirnov Test in Table 4 above, it is evident that the probability value = > 0.05, which means that the normality test is rejected. Because the significance value of the regression model is greater than 0.05, it can be concluded that the data used in the study can be said to be normally distributed.

Multicollinearity Test

Table 5. Multicollinearity Test Results.

Coefficients[a]			
Model		**Collinearity Statistics**	
		Tolerrance	**VIF**
1	Corporate Sosial Rersponsibility	.977	1.024
	Company Reputation	.976	1.024
	Profitability	.999	1.001

a. Dependent Variable: Company Value

From the results of the multicollinearity test in Table 5, the tolerance values of each variable are greater than 0.10 and the variance inflation factor (VIF) values are less than 10, so it can be concluded that there is no multicollinearity. Multicollinearity problems can be detected by checking the VIF (Variance Inflation Factor) value. If the VIF value is < 10 or the tolerance value is > 0.1, it means that there is no multicollinearity.

Heteroscedasticity Test

Table 6. Results of Coeficients[a] -Glejser Heteroscedasticity Test.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-228243504.019	609557055.107		-.374	.711
	Corporate Sosial Rersponsibility	1.090	.931	.179	1.171	.250
	Company Reputation	1281172298.522	429348600.989	.456	2.984	.205
	Profitability	-1.387	2.152	-.097	-.645	.524

a. Dependent Variable: ABS_RES

Based on the results of the heteroscedasticity test in Table 6. The significant value of each independent variable is greater than 0.05, which means that the independent variables do not affect the absolute residual (ABS_RES), so there are no signs of heteroscedasticity in the test results.

Autocorrelation Test

Table 7. Autocorrelation Test Results Model Summaryb.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.314[a]	.098	.014	1.04399	2.027

a. Predictors: (Constant), Corporate Sosial Rersponsibility, Company Reputation
b. Dependent Variable: Company Value

Based on the results of the autocorrelation test, the DW value is 2.027, the number of samples is 36, and the number of variables is 2, so the maximum value is 1.5872. From this value, the condition that must be met is dur<dw<4-dur, which is 1.5872<2.027<2.4128, meaning that the value of dur 1.5872. is smaller than the dw value, which is 2.027, and the dw value is smaller than the 4-dur value, which is 2.4128, so it can be concluded that the model does not exhibit autocorrelation.

R^2 test

Table 8. Coefficient of Determination Value Model Summaryb.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927[a]	.859	.851	310168236.60499

a. Predictors: (Constant), Company Reputation, Corporate Sosial Rersponsibility

Based on Table 8, the value of the adjusted coefficient R square is 0.851, which means 85.1%. The value of pharmaceutical companies in 2019-2022 is influenced by Corporate Social Responsibility, Company Reputation, Profitability, and the remaining 14.9% is influenced by other factors not included in this study.

Individual Parameter Significance Test (t-test)

Table 9. Significant Test Results for Individual Parameters (t-test).

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1293154556.497	169278043.339		7.639	.000
	Corporate Sosial Rersponsibility	.678	.262	-.171	-2.587	.014
	Company Reputation	1712710598.253	120783747.004	.937	14.180	.000

a. Dependent Variable: Company Value

Table 11. Significant Test Results for Individual Parameters (t-test).

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2156504553.108	135267510.647		15.943	.000
	M_X1	-1.030E-8	.000	-.685	-2.445	.020
	M_X2	8.584	2.572	.935	3.338	.002

a. Dependent Variable: Company Value

Multiple Linear Regression Analysis

Based on the multiple linear regression test in Table 9, it shows that Corporate Social Responsibility has an effect on Company Value and its significance is less than 0.05, namely 0.014 with a beta of 0.678. This means that variable (Corporate Social Responsibility) X1 has a significant positive effect on Y (Company Value), thus accepting hypothesis 1. Table 9 shows that Company Reputation affects Profit Quality and its significance is less than 0.05, namely 0.000 with a negative beta of -43.287. This means that variable (Company Value) X2 has a significant positive effect on Y (Company Value), thus hypothesis 2 is accepted Analisis Regresi Moderasi (Moderate Regression Analysis) / MRA

Based on the MRA test shown in Table 10. It shows that X1 Corporate Social Responsibility towards Y Company Value with the moderating variable of Profitability shows a significance value of 0.020, which is less than 0.05 with a value of -1.030Er-8. This means that Profitability can moderate the relationship between X1 Corporate Social Responsibility and Y Company Value. and it can be concluded that Profitability as a moderating variable can moderate the relationship between Corporate Social Responsibility and Company Value, but in the opposite direction, so that hypothesis 3 is accepted. Table 10 shows that X2 Company Reputation on Y Company Value with Profitability as a moderating variable shows a significance value of 0.002, which is less than 0.05 with a positive value of 8.584. This means that profitability can refine the relationship between X2 Company reputation and Y Company value, and it can be concluded that the moderating variable of profitability can refine the relationship between company reputation and company value, thus hypothesis 4 is accepted.

Discussion

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

The results of the Corporate Social Responsibility (CSR) variable test support the first hypothesis (H1), which states that the variable indicates that Corporate Social Responsibility (CSR) has an effect on Company Value and its significance is less than 0.05, namely 0.014 with a beta of 0.678. This means that the Corporate Social Responsibility (CSR) variable X1 has a significant positive effect on Y (Company Value), so hypothesis 1 is accepted. Thus, H1, which states that social responsibility has a positive effect on company value, is rejected. High company value causes the existence of the company to be more highlighted by its stakeholders. The expression of Corporate Social Responsibility (CSR) in the annual report accurately portrays the company's image and becomes one of the considerations that investors and potential investors take into account when choosing where to invest because they consider that the company portrays an image to the public that the company is no longer only pursuing profitability but also pay attention to the environment and society. By implementing corporate social responsibility practices, the company's image will improve in the eyes of the public and shareholders. In addition, the implementation of corporate social responsibility can maintain harmonious relations between the company and its stakeholders, which can facilitate the smooth running of the company's business [13]. One of the activities of Corporate Social Responsibility (CSR) is a signal theory related to managerial quality. Companies with high quality tend to use social and environmental accounting as a shift from traditional reporting. In contrast, companies with low quality tend to be more consistent in limiting the disclosure of accounting information to external parties. which is a signal to investors and other stakeholders that the company is actively involved in CSR practices and indicates that the company's market value is in a good position. Good social performance helps companies gain credibility in the capital and debt markets. The results of this study support the findings of [14] and [10], which concludes that the disclosure of Corporate Social Responsibility (CSR) has a positive and significant influence on the company's value. The influence between the company's social responsibility and the company's value indicates that the broader the disclosure of the company's social responsibility, the more the company's value will increase [13].

The Effect of Company Reputation on Company Value

Based on the partial test results in Table 10, the company reputation variable has a positive and significant effect on company value. Good company reputation can help companies obtain resources and support from stakeholders, in line with stakeholder theory. Therefore, creating a good reputation in the eyes of stakeholders is important for companies so that they can fulfill the expectations of stakeholders with a good company reputation. A good company reputation can influence customer and employee satisfaction, increase customer loyalty, and improve the company's long-term survival, thereby increasing the company's value. This study is in line with study [15], which states that a good reputation increases investor confidence and affective loyalty towards the company, which in turn can increase the value of the company, and is not in line with the study conducted by [9], which states that statistical tests are positive and significant.

The Effect of Corporate Social Responsibility (CSR) on Company Value with Profitability as a Moderator

Based on the research results obtained, profitability can moderate Corporate Social Responsibility (CSR) on company value, as seen in Table 11. It can be concluded that profitability significantly weakens the relationship between Corporate Social Responsibility and company value, which indicates that profitability can weaken Corporate Social Responsibility practices. Profitability cannot moderate the relationship between Corporate Social Responsibility and company value because the profitability of a company in implementing Corporate Social Responsibility has a significant impact on company value. Pharmaceutical companies are still classified as economic companies, which are companies with high profitability but low budgets for corporate social responsibility. Judging from the company's asset performance, it can be said to be good because the assets owned can be increased. However, an increase in assets does not guarantee an increase in profits because even if there is an increase in assets, it is not accompanied by an increase in share prices. Corporate Social Responsibility (CSR) is a stakeholder theory which states that companies cannot escape from social and environmental issues and phenomena. Therefore, companies need to maintain their legitimacy in order to achieve their goals and stability [16]. These results are not in line with the research [17].

The Effect of Company Reputation on Company Value with Profitability as a Moderator

The results of the observation show that profitability can moderate company reputation, as observed in Table 11. The profitability variable can moderate the relationship between company reputation and company value and is significant. There is also a significant positive influence between company reputation and company value. This indicates that the better the company's reputation, the higher the company value. This is in line with the theory that a good reputation can increase the trust of customers, investors, and other stakeholders, which in turn can increase company value. However, interesting results emerge when considering profitability as a moderator in the relationship between company reputation and company value. It is revealed that profitability moderates this relationship, which means that the effect of company reputation on company value can vary depending on the level of profitability. This suggests that profitability can either strengthen or weaken the effect of reputation on company value. In this context, the significant results suggest that there is a complex relationship between company reputation, profitability, and company value [18]. Thus, company managers need to pay attention not only to their reputation, but also to their profitability, because these two factors have a significant impact on company value. In addition, understanding how these factors influence each other can help managers make better strategic decisions to improve company performance and value. Diversity theory and signaling theory suggest that a company's reputation can signal to stakeholders the quality of its managers and practices, thereby increasing investor confidence and satisfaction, which in turn can increase the company's value. Meanwhile, signaling theory states that a company's reputation is a positive signal about the quality of its products, services, and sustainability, which can influence market perceptions and ultimately increase the company's value. Research [18] mentions that profitability moderates the relationship between company reputation and company value. More specifically, company reputation will have a stronger influence on company value when profitability is high, and its influence will be weaker when profitability is low.

CONCLUSION

Fundamental Finding : Based on the results of the above analysis, it can be concluded that Corporate Social Responsibility (CSR) has a positive impact on a company's reputation because there is a correlation between a company's social responsibility and its value, indicating that the more transparent a company is in its social responsibility, the higher its value will be. The company's reputation has a positive and significant effect on company value, as a good reputation helps the company obtain resources and stakeholder support in line with stakeholder theory. Profitability weakens the relationship between CSR and company value because even though assets increase, it does not always lead to higher profits or stock prices. Profitability also strengthens the relationship between company reputation and company value, showing that the better a company’s reputation, the higher its value, as it increases customer and investor trust.

Implication : Companies should involve employees in CSR initiatives through volunteer programs, training, and community engagement to build pride and commitment that enhance company reputation and performance. Establishing a corporate culture that supports social responsibility and ethics will help leverage CSR and reputation to strengthen company value and stakeholder trust. **Limitation :** This research has limitations such as a limited sample and timeframe, which may restrict the generalization of findings to broader contexts. **Future Research :** It is suggested to expand the study by adding more independent variables, increasing the number of samples, and diversifying moderators or interventions to better explain the factors that influence company value in the future.

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