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Profitability, *Corporate Social Responsibility* Disclosure, and Corporate Value of *Non-Cyclicals* Listed in Indonesia

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Abstract

Firm value is a notable indicator for stakeholders in the capital market. The graph or movementof the value is triggered by many causes that thereof pictures a firm's capability of success. This research observes how profitability, an insightful measurement of a firm's profit, and Corporate Social Responsibility (CSR) disclosure, an important measurement of the currently rising environmental issues, influence the value of the Indonesia Stock Exchange 2017-2021 listed consumer non-cyclical firms. Return on Assets (ROA), CSR index, and Tobin's Q are, respectively, the calculations to that of profitability, CSR,and a firm's value. The result laid out ahead of this research shows of an absolute consideration to valuingnon-cyclical firms' value with their profitability. Firms are then encouraged to increase its profitability as a mean to increase its value. On the contrary, CSR, based on the SEOJK No. 16/SEOJK.04/2021, is seemingly attested to be insignificant of firms' value and in addition indicates a regulation inadequately implemented. The authority as well as firms hope to evaluate and implement it accordingly.

Keywords: *return on assets, corporate social responsibility*, firm value

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Abstrak

Nilai perusahaan menjadi satu indikator penting di pasar modal bagi pemangku kepentingan. Pergerakan nilai tersebut dapat terpengaruhi oleh banyak hal dan selanjutnya menjadi gambaran sejauh mana kapasitas kesuksesan perusahaan. Penelitian ini meninjau sejauh mana pengaruh profitabilitas, sebagai rasio penting dalam mengukur keuntungan, dan pengungkapan Corporate Social Responsibility (CSR), sebagai ukuran penting aspek lingkungan yang menjadi agenda hangat saat ini, terhadap nilai perusahaan pada perusahaan sektor non-cyclicals yang terdaftar di Bursa Efek Indonesia periode 2017- 2021. Keuntungan perusahaan diukur dengan rasio Return on Assets (ROA), CSR dengan indeks CSR, dannilai perusahaan dengan Tobin's Q. Hasil penelitian ini menunjukkan bahwa profitabilitas tetap menjadi pertimbangan penting untuk perusahaan bahan primer. Namun demikian, hasil penelitian ini mengidentifikasi bahwa aspek lingkungan CSR berdasarkan SEOJK Nomor 16/SEOJK.04/2021 tidak memiliki pengaruh terhadap nilai perusahaan, dan juga mengindikasikan peraturan tersebut belum berhasil secara menyeluruh diterapkan perusahaan. Otoritas dan perusahaan diharapkan untuk mengevaluasi dan menerapkannya di lapangan.

Kata kunci*: return on assets, corporate social responsibility, nilai Perusahaan.*

INTRODUCTION

Company value is an important indicator of a public company in the eyes of shareholders, and for this reason, Djaja (2020) states that companies will always create and realize their company value in retaining shareholders. He went on to say "*top management* is always faced with the classic question of 'how to raise the value of the company for the benefit of shareholders?'" The question means that the company's business activities are executed in disguise with the intention or interest to maintain and also increase the value of the company.

Company value is also related to investor perceptions regarding the success capacity of a company (Rajagukguk et al., 2019) so it is important to maintain or improve. The purpose of this study is also to examine variables that, based on previous research, can affect company value, namely profitability and *Corporate Social Responsibility (CSR).*

Profitability is one of the financial aspects that has a significant influence on the value of the company. Many companies certainly adhere to a profit-oriented paradigm. This is because by achieving the maximum profit, the company is said to have succeeded in maximizing resources. Profitability, which is generally interpreted as the ability to generate net profit from the company's overall business operations, is an important aspect to pay attention to, especially investors.

According to Agustina (2013) it is natural for investors to make profitability the main concern because the purpose of establishing the company itself is to make a profit. A high level of profitability is a significant consideration in investors' investment decisions and can affect the value creation of a company. Thus, companies also need to consider the creation of company value through the company's ability to generate maximum profits.

The company's business activities are often accompanied by negative impacts on the environment. A company in the goods and consumption sector is an example of activity that is closely related to social environmental issues. This is because such companies move quickly in their production—*fast-moving*—seeing the very nature of such goods and consumer products that are quickly exhausted from purchases that are always needed or in demand—non-cyclicals. Recently, there has been a lot of occurrence. Public protests against the company caused by environmental issues.

PT Mayora, PT Indofood, PT Wilmar Indonesia and PT Unilever are some of the many companies dealing with this issue. An example of a specific activity is the sale of single-use gallon bottled water by PT Mayora. In addition, a waste audit from July 25 to August 21 by Ecoton on the east coast of Surabaya showed a total of 1,776 garbage consisting of 220 brands belonging to 127 companies and PT Indofood was also identified in it. PT Unilever also faces waste problems where PT Unilever has donated more or less 30,000 tons of waste under observation in 2020 (Kholisdinuka, detik.com).

There is also a waste problem arising from PT Wilmar Cahaya Indonesia's business process which causes water pollution in rivers where people work as farmers, fish anglers and rubber farmers (Ecoton, 2020). The company's operations clearly have an impact on the environment and move the community to demand the company to pay more attention to the impacts arising from the company's operations and be more responsible (Maryanti & Fithri, 2017). The implementation of *Corporate Social Responsibility (CSR)* is also important to bind companies to accountability or responsibility for environmental impacts due to business activities. Based on the demands of the community for companies to be open and responsible, companies also need to consider the implementation of *CSR* and for that also know the effect on company value.

Non-cyclicals company products are primary needs products which means people buy these products on the basis of needs or interests which are independent of economic circumstances. Unlike other company stocks, non-cyclicals companies are classified as companies with price movements or stock values that are resistant or defensive in times of recession. When the economy improves, non-cyclicals products remain the primary needs purchased by the public. The company's stock is also a defensive, low-volatility and predictable stock.

From this perspective, the creation of corporate value through the production of the company's business generally seems insignificant. From the same perspective, this study will also prove the significance of corporate value creation through or based on profitability and *CSR disclosure*.

THEORITICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Stakeholder Theory

Stakeholder theory is a theory that concerns the relationship between the organization and all related parties inside and outside or called stakeholders. Freeman (1984) defines stakeholders as individuals or sets of individuals who can influence or be affected by the achievement of corporate goals. While maintaining the core understanding, stakeholder understanding continues to emerge by categorizing stakeholders into several groups.

Examples are strategic and moral stakeholders (Goodpaster, 1991), external and internal stakeholders (Pearce, 1982), subgroups of stakeholders such as shareholders, employees, and customers (Wood, 1994), and also primary and secondary stakeholders (Clarkson, 1995). The main thing about this categorization is to emphasize that there are various kinds of stakeholders with different expectations or expectations.

Signalling Theory

The information disclosed by the company will influence the decision making of shareholders. Information, specific examples such as the level of profitability of a company, certainly provides good signals for shareholders and influences their investment decisions. According to Brigham & Houston (2012), signals are actions taken by company management to shareholders by providing signs or signals about management's assessment of company prospects. This signal is interpreted as a sign related to the company's risks and profits as well as future prospects. That way, such information becomes very important, especially for candidates or shareholders because the information describes the company's performance in an effort to meet the expectations of shareholders. In addition, with such information in the market, it is expected that related external parties can distinguish good and bad conditions from a company.

Corporate Social Responsibility

The definition of Corporate Social Responsibility (CSR) is very diverse and therefore does not have one fixed definition. CSR is also often referred to as social contribution, social responsibility, responsibility to stakeholders, responsibility based on ethics, and also understood as a voluntary activity of companies for the development of the social environment (Maignan &; Ferrel, 2001; Brown & Dacin, 1998; Luo & Bhattacharya, 2006; Mackey A., Mackey, T. B. & Barney, 2007). A narrower understanding was also proposed by Friedman (1970) where Friedman explained that CSR is a form of respecting the opinions of stakeholders.

Conversely, CSR can be defined broadly where the application of CSR by companies widens the scope of social welfare beyond the company's profits (McWilliams & Siegel, 2001). With various understandings, the application of CSR itself can vary in each company. The forms of CSR implementation are measured by certain CSR measures or indices such as applicable legislation governing sustainable development in a country. Financial Services Authority (SEOJK) Circular Letter Number 16/SEOJK.04/2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies is an example of measuring CSR (such as energy, water, waste, emissions, etc.) through the application of aspects of sustainability performance regulated in the regulation.

Profitability

Profitability has an important influence on the company. So with a high level of profitability, there are many opportunities for the company to develop. Companies can increase the prosperity of their shareholders, expand business, improve quality and of course company value. Profitability also provides benefits for the company's business owners, management and external parties tied to the company.

Profitability is used to determine whether the profit generated is sufficient compared to the assets invested (Rajagukguk, Ariesta, &; Pakpahan, 2019). Profitability measurement can use one of the financial ratios that investors often consider, namely Return on Assets (ROA). Referring to the research of Rajagukguk et al (2019), ROA is a ratio that shows the amount of asset contribution in generating net profit. The higher the return on assets, the higher the amount of net profit as a result of each dollar in total assets.

Company Value

According to Hendrik and Juniarti (2015), company value is a perception from investors which is generally related to the company's own stock price. Stock price is a reflection of demand and supply in the market which means a reflection of people's assessment of company performance. Company value can also be defined as the state that has been achieved by the company and is described as investor perception of management performance through a series of processes for implementing the management function (Rajagukguk et al, 2019).

Thus, with the higher the value of the company, the company's performance performance means good and the prosperity of the company owner is greater (Wiagustini, 2013). In other words, the higher the value of the company in the capital market, the higher the company's wealth and provide good prospects and confidence to invest for investors in the company.

Company Size

The size of a company is defined as the size of the company itself as seen from total assets. Simply put, total assets are a large measure of all company assets (Hendrik &; Juniarti, 2015). Compared to sales, the long-term nature of total assets makes it suitable as an indicator of company measurement. Thus, the higher the total assets in a company, the larger the company.

The scope of impact of the variables tested from each company in the same industry can differ depending on the size of the company and, for that, the size of the company also needs to be monitored in this study.

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

In addition to leaving a good impression, it should also be remembered that CSR is a form of corporate accountability. This is in accordance with stakeholder theory which asserts that companies must be responsible to their stakeholders because companies cannot survive without their stakeholders. Stakeholders will affect the sustainability of the company so that the implementation of corporate responsibility or CSR will affect the value of the company itself.

For this reason, information or disclosures related to environmental responsibility disclosed by the company – in line with signal theory – are expected to be responded to by investors through an increase company value (Harahap, Juliana, &; Lindayanti, 2018). The more informative the company's CSR disclosure, the higher the CSR score or index measured by SEOJK Number 16/SEOJK.04/2021 and so is the company's value.

H_1: CSR disclosure has a positive effect on the value of non-cyclicals companies.

The Effect of Profitability (ROA) on Company Value

Satisfactory company profitability is a form of benefit provided by the company to stakeholders, for example for shareholders. Stakeholder theory itself also has a consistent understanding where the company must provide benefits for stakeholders and for the sustainability of the company itself (seeing the sustainability of the company depends on the existence of stakeholders). Furthermore, a high level of profitability will initiate investment from investors—signal theory.

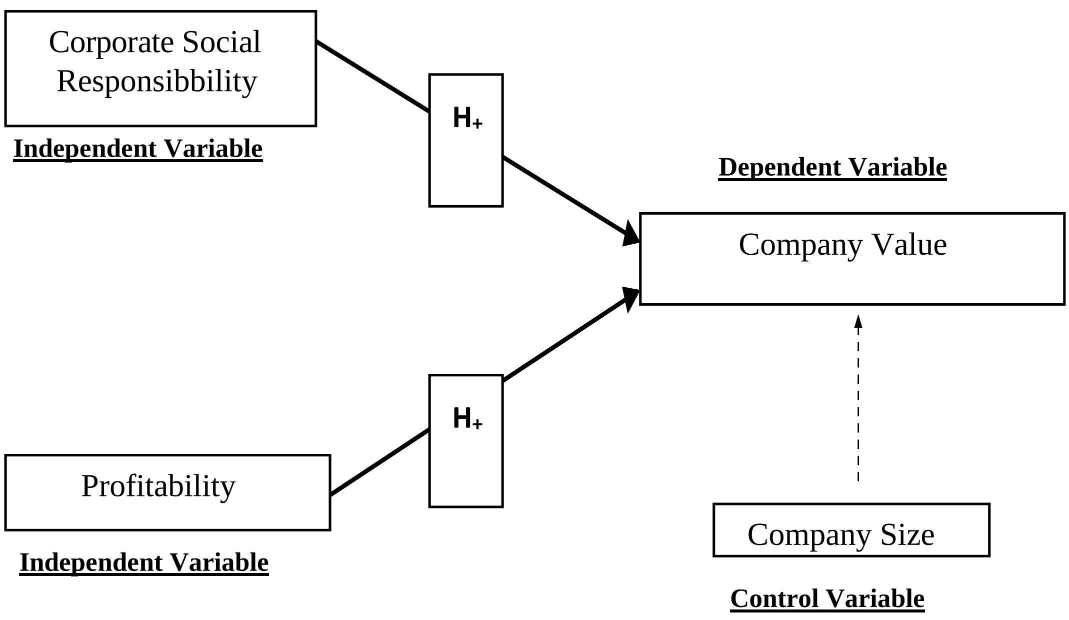

Figure 1. Research Framework

Of course, a high level of profitability is a good signal and in accordance with The investor's investment decision-making preferences will help the company in creating high corporate value. This is because with a high level of profitability shows good and profitable company performance, and investors will be interested in buying shares of that company. Thus, a high level of profitability can increase company value (Purbawangsa &; Suprasto, 2019).

H_2: Profitability has a positive effect on the value of non-cyclicals enterprises.

RESEARCH METHOD

This study aims to examine the effect of *Corporate Social Responsibility (CSR)* and profitability on company value. The population of this study is companies listed in the *Indonesian Stock Exchange Industrial Classification (IDX-IC),* namely the sector coded D—the sector of consumer *non-cyclicals* companies. The research design chosen is in the form of quantitative research. Research like this is research that explains the causality relationship between variables in research by testing predetermined hypotheses (Simanjuntak, Sadalia, Muda, 2020). The causality research method is carried out to determine the strength and direction of the relationship between two or more variables (Kuncoro, 2007).

In this study, testing and analysis were conducted to see the influence of independent variables, namely *Corporate Social Responsibility (CSR)* and profitability on company value as dependent variables. Data collection techniques are carried out by collecting, recording and also reviewing data that is already available, namely non-participation data or secondary data. For the purposes of this study, secondary data is all information taken from annual reports, including financial information, and sustainability reports of companies in the IDX-IC sector D manufacturing classification, namely those listed on the Indonesia Stock Exchange (IDX). The data collection period is 5 years, from 2017 to 2021.

This research covers the population of non-cyclicals companies listed for the period 2017-2021 on the Indonesian stock exchange. Such companies are those concerned with the production and distribution of primary materials—materials that are used and/or also needed almost all the time—so that contributions to the environment are fairly frequent. The sample collection method uses purposive sampling with sample selection criteria, namely the disclosure of the company's annual report at once and or also separately from the sustainability report in the five-year research observation period (2017-2021). So that the number of samples was obtained at 265 companies.

Furthermore, secondary data is obtained by accessing the company's website and the Indonesia Stock Exchange (IDX). Table 1 shows the selection process of the research sample. The operationalization of variables used in this study can be seen in Table 2.

Table 1. Sample Criteria of Research Objects

Kriteria	Jumlah
Jumlah sampel awal perusahaan non-cyclicalstercatat 2017-2021	87
Perusahaan tidak memenuhi kriteria penelitian	(34)
Jumlah perusahaan dengan kriteria penelitian	53
Periode Pengamatan (tahun)	5
Jumlah observasi awal	265
Outliers	26
Jumlah observasi akhir	239

Table 2. Operational Variables

No.	Variable	Formulation Variable	Definition Variable	Source
Dependent				
1.	Company Value	Tobin's Q: $\frac{MVS + Total\ \text{Debt}}{Total\ Assets}$	Ratio for analysis of company shares with a comparison of the total market value of all outstanding shares and total debt to total company assets	Financial or Annual Report
Independent				
2	Corporate Social Responsibility (CSR)	CSRI: $\frac{\text{Company } total\ score}{\text{CSR } total\ criteria}$	The index measures a company's non-financial disclosures in the form of indicators	Sustainability Report
3	Profitability	ROA: $\frac{\text{Net income after tax}}{total\ assets}$	The ratio measures a company's ability to generate profits from the utilization of its assets	Financial or Annual Report
Control				
4	Company Size	Log of Total Assets	Company size based on the overall amount of company assets	Financial or Annual Report

Tabel 3. Descriptive Statistics

	TOBINSQ	ROA	CSRI	LOGASSETS
Mean	1.650600	0.043078	0.511221	12.63566
Median	1.181406	0.037560	0.454545	12.64857
Maximum	17.67834	0.607168	1.000000	14.25372
Minimum	0.194561	-0.582526	0.000000	10.82988
Std. Dev.	1.784300	0.132699	0.299205	0.623294
Skewness	5.607213	0.589057	0.023061	-0.046171
Kurtosis	41.73128	8.783226	2.035359	2.853061
Jarque-Bera	16191.01	346.8851	9.287733	0.299925
Probability	0.000000	0.000000	0.009620	0.860740
Sum	394.4933	10.29575	122.1818	3019.924
Sum Sq. Dev.	757.7271	4.190918	21.30668	92.46179
Observations	239	239	239	239

Tabel 4. Hypothesis Testing Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	14.56112	2.737178	5.319757	0.0000
ROA	0.568807	0.205494	2.768002	0.0062
CSRI	-0.140632	0.103197	-1.362757	0.1746
LOGASSETS	-1.018002	0.217885	-4.672198	0.0000
R-squared	0.983295	F-statistic		195.8489
Adjusted R-squared	0.978274	Prob(F-statistic)		0.000000

The research model used is

$$\textbf{Tobin's Q} = \alpha + \beta_1 \textbf{CSR}_{i,t} + \beta_2 \textbf{ROA}_{i,t} + \beta_3 \textbf{SIZE}_{i,t} + \varepsilon$$

Information:

Tobin's Q : Company Value

A : Constant

β_1-β_3 : Regression Coefficient

CSR : Corporate Social Responsibility

ROA : Return on Asset

SIZE : Company Size

Ɛ : Standar Error

RESULT, DISCUSSION, AND MANAGERIAL IMPLICATIONS

Descriptive Analysis

The analysis conducted based on descriptive statistics in Table 3 explains the description of each variable in the research sample. The information that can be drawn comes from the mean or average value, maximum value, minimum value, and standard deviation of each variable which in this study includes Tobin's Q variable (dependent), ROA and CSRI variables (independent), and company size variables (control, in log).

Data Panel Analysis

After the Chow Test, Hausman Test, and Lagrange Multiplier Test, it showed that both periods used the Common Effect Model (CEM). The regression equation based on Table 4 is formulated as follows:

$$\mathbf{Tobin's\ Q_{i,t} = 14.56112 + 0.568807ROA_{i,t} - 0.140632CSRI_{i,t} - 1.018002_{i,t} + e_{i,t}}$$

The results of the study in accordance with table 4 showed that the adjusted R-square of the regression model used was almost close to 100%, with a figure of 97.83%. The coefficient of determination can give an idea of how much influence the independent variable has on the dependent variable in a model, and with the value of the coefficient of determinance or adjusted R-squared close to 100%, the better the regression. Thus, 97.83% of the dependent variables can be explained by the independent variables of the study, namely Return on Assets and Corporate Social Responsibility, and the rest (2.17%) are explained by other variables outside the study.

Testing with the F test will show the level of significance of a model used. In other words, a model can be used in determine whether the independent variable is simultaneous or has an effect on the dependent variable. With the Prob (F-statistic) in the table above valued at 0.00%, this also means that the value is smaller than the alpha significance level of 5% and it is concluded that the independent variable in this study simultaneously affects the dependent value.

In this test, the effect of each independent variable on the dependent variable will be seen. This means that each vatiabel will be compared to the probability value of the regression result at alpha 5% by looking at the table above.

H_1: CSR disclosure has a positive effect on the value of non-cyclicals companies

Based on the table above, the regression results of the first independent variable, namely Corporate Social Responsibility, show a t-statistics probability value of 17.46%, which means greater than 5%. The conclusion is taken in the form of CSR disclosure based on SEOJK indicator Number 16/SEOJK.04/2021 has no effect on company value. The first hypothesis (H1) of research is not accepted. CSR disclosure, which is focused on environmental aspects and is also based on regulations issued by authorities, does not play a role in signaling theory, the theory that management takes actions provide good news for investors.

CSR disclosure has not been seen by investors as good news even though the development of science is now full of environment-related issues. Corporate Social Responsibility (CSR) disclosures such as disclosure of the use of energy and water used, the use of environmentally friendly materials, waste disposal, emission generation, environmental conservation, and countermeasures related to it are all indeed a separate responsibility of the company in terms of cost. The company must set aside funds to carry out its responsibilities related to the company. Energy reduction with more efficient use of machinery, more environmentally friendly waste management and better materials.

Environmentally friendly, of course, requires its own technological advantages that absorb company funds. Thus, by not accepting the first hypothesis, it can be said that environmental responsibility efforts by companies are also obstacles for companies to create more value for the company – more value that is also meaningful in the eyes of investors. The important implications highlighted after the rejection of the first hypothesis are that CSR disclosure, which in this study focuses on environmental aspects, has not been fully complied with by the company (looking at CSRI variables based on regulations issued by the authority) and is limited to fulfilling the CSR disclosure itself so that it has not become an important component of value creation of a company.

Research with the same results is also found in the research of Hendrick and Jurianti (2015), Worokinasih and Zaini (2020), and Okafor, Adusei, and Adeleye (2021) which conclude that CSR has no influence on company value. This limitation is the possibility that CSR disclosure is not made by the company with the aim of increasing value for the company or tends to implement it as part of the company's compliance even while being a form of responsibility to the environment.

This possibility can be drawn seeing that companies have not succeeded or are able to create more corporate value through the application of CSR, seeing other studies that provide different results, namely there is a significant influence by CSR on company value (Suwasono, 2021; Simanjuntak, Sadalia, and Muda, 2020; Lusmeida, 2020; Chung, Jung, and Young, 2018). In addition, looking at the implementation of SEOJK CSR that has not been fully fulfilled by all registered companies shows the existing legal leeway, thus explaining further that the implementation of CSR has not been able to become a meaningful value for investors, and has not been able to create value for the company.

In this study, the sample of companies is non-cyclicals companies or companies that sell products that are in demand and also needed by the community. In many economic conditions, primary needs will always be needs for people and thus have implications for value. The company is stable. The value of the company related to the price of the company itself is influenced by the actions of investors who invest their capital in the company.

Novice investors, investors who want to find a safe position in investing are examples of investments that are based on the nature of a non-cyclicals company – resistant to recession or uncertain economic conditions. Related to the disclosure of Corporate Social Responsibility, specifically the environmental aspect, the value of the company is also seen its sensitivity to changes with this CSR disclosure, and the results of this study show that CSR disclosure is indeed meaningless in being a factor in creating more value for the company, in this case, the value of the company itself.

H2: Profitability has a positive effect on the value of non-cyclicals enterprises.

Based on table 4 above, the regression result of the second independent variable, Return on Assets, shows a t-statistics probability value of 0.00% which means less than 5%. The conclusion is taken in the form of the level of Return on Assets of the observation company has a positive and significant effect on the value of the company.

The second hypothesis (H2) of the study was accepted. ROA is certainly an important part of many aspects of corporate reporting. Management and investors certainly make ROA an important part because this financial ratio reflects the company's return on the management of assets owned by the company. Profit itself is the goal of the development and sustainability of a business and this can be reflected in the ROA ratio. So that with a company publishing its financial statements, profit or profitability information that is respected by investors will become good news—signaling theory—and influence investment decisions in the company.

The number that shows ROA is also a strong indicator of the creation of company value. In other words, the higher the ROA, the higher the company's value, in this study the company's value is represented by Tobin's Q ratio. Investors certainly invest to get profits both short and long term. By looking at the company's financial performance, one of them is ROA, investors can conclude how a company successfully manages its assets in order to increase its profitability. Thus, the positive and significant influence of ROA on the creation or increase of company value is very clear. Related and recent research also provides the same results—positive on the relationship between profitability and company value—as in the research of Hasian and Suputra (2021), Kamaliah (2020), Suwasono (2021), Sulhan and Pratomo (2020), and Hadiwibowo and Sufina (2022) although there are other studies that state otherwise (Putranto and Kurniawan, 2018; Sondakh, 2019).

Transparency in disclosing management efforts to increase profits or profits can also be an added value that guarantees investors and other stakeholders to put trust in company management. In other words, financial performance, whether with numbers or letters (presentation of the company's future prospects) is considered absolutely important for the continuation of the company itself or management and also investors or other stakeholders. In terms of financial performance, companies can continue to create meaningful corporate value through evaluation and increase in profits or profits by continuing to also take various approaches such as striving for profitability through sales and cost management.

In times of price changes in the market, raising prices without risking sales can help increase a company's profitability. It can also be done by making sales specifically for certain market segmentations that are more profitable and for that have a higher potential to increase sales which can then be continued by giving the segmentation special treatment or services. For non-cyclicals, the production or distribution of goods for special segmentation can be in the form of differentiation of products sold such as high-quality primary goods, new product innovations that certainly provide a different experience when consuming them. (Removing less profitable segmentation will not have a significant effect compared to the segmentation above.) Moreover, companies can continue to look for new specialized market segmentations.

Increased productivity, business efficiency, and product turnover can also drive a company's profitability. In addition, cost reduction by the company can certainly increase its profits. The existence of waste in business processes can hinder profitability maximization so identifying that waste and reducing or eliminating it can effectively reduce costs and increase profits. (Using activity-based costing is one effective way.) Other waste can also be avoided such as improper use of electricity, telephone payments that are rarely used, or also the use of existing property (especially in non-cyclicals companies that tend to have large and large properties or land), selling or renting unused ones, consideration of cheaper leases for longer contracts, and so on.

Non-cyclicals sector companies, as described earlier, are companies that are resistant to economic turmoil. Furthermore, in terms of company value, companies still tend to move stably during normal economic times and recessions because such companies are companies that provide consumer goods, necessities, and goods of interest. As one of the important factors or indicators for companies and markets, profitability (ROA) is certainly an important consideration in determining or creating company value, but looking at the characteristics of non-cyclicals companies, profitability may not be a certain consideration. For this reason, related to ROA, company value is also seen sensitivity to changes with this profitability level ratio, and the results of this study show that ROA disclosure is still a factor in company value creation.

The positive relationship that occurs in the variables of financial performance, ROA and Tobin's Q company value is also in line with the signaling theory described earlier in this study. Signal theory emphasizes that a company provides information to external parties in order to influence the value of the company. Thus, with the company providing information related to its financial performance like ROA, company value can also be influenced. In addition, the company means responsible for future prospects which will certainly affect the decision making of external parties such as investors and then affect the value of the company.

The implication that cannot be separated from the results of this study is the implementation of mandatory regulations, SEOJK Number 16/SEOJK.04/2021, which has not been implemented thoroughly by listed companies, in this context IDX-IC sector D registered companies, namely *consumer non-cyclicals* companies. This is based on the process of collecting and managing CSRI variable data through a content analysis approach. During the process, legal leeway was found in the application of the SEOJK regulations. This allowance needs to be highlighted given the mandatory nature of the regulations, and in addition it can also give rise to the possibility of several assumptions: Is the incomplete implementation the reason why CSR has not been able to affect the value of the company? However, another more important thing to highlight apart from the results of this study is the leniency of the law itself which shows the lack of enforcement of the authority intended for these listed companies. The company may not comply but the authorities still act.

CONCLUSION, SUGGESTION, AND LIMITATIONS

This study aims to examine the effect of profitability and Corporate Social Responsibility (CSR) disclosure on company value. Profitability is measured by the financial ratio of Return on Assets (ROA) and CSR specifically related to environmental aspects with CSRI (CSR Index) based on SEOJK regulation Number 16/SEOJK.04/2021. Based on the analysis and discussion that has been explained, the results of the study are as follows:

1. Profitability through ROA has a positive and significant influence on the value of the company. This is because a good company's financial performance, such as a high level of ROA profitability ratio, will be good information or good news by the company for external parties or in this study specifically for investors who want to invest.
2. CSR disclosure has no influence on the value of the company. This can be caused by CSR disclosures that are only limited to the company's compliance with regulations. Thus, CSR disclosure is still limited to a disclosure that apparently cannot be seen as an important component of corporate value creation.

Based on the research conducted, the limitations found by the author are as follows:

1. Sustainability reports have not been published by all companies, so reports from companies that do not issue sustainability reports are only limited to environment-related information issued in their annual reports.
2. There is an inaccessible company website where information related to the company is also not available on the exchange site.
3. There are initial variables that must be excluded because they do not have a relevant influence or are in accordance with the initial purpose of this study.

Based on the research that has been done, the suggestions that the author can convey are:

1. The addition of green innovation and CSR costs as independent variables to see the effect on the value of non-cyclicals companies.
2. Comparing before and after the implementation of SEOJK Number 16/SEOJK.04/2021.

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