



ANALYZING THE VALUE OF INFRASTRUCTURE COMPANIES ON DAFTAR EFEK SYARIAH THROUGH FINANCIAL PERFORMANCE AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

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DOI:

10.22219/jafin.xxxxxxxx

SEJARAH ARTIKEL

Diterima:

20 - Juli - 2022

Direview:

7 - Agustus - 2022

Direvisi:

22 - Agustus - 2022

Diterbitkan:

1 - September - 2022

Kantor :

Jurusan Akuntansi, Fakultas
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Sampangan, Semarang
50236
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P-ISSN : XXXX-XXXX

E-ISSN : XXXX-XXXX

Abstract

This study aims to obtain empirical evidence about the effect of Financial Performance and Corporate Social Responsibility (CSR) on Corporate Values in Construction Companies. The independent variables used are Financial Performance and Corporate Social Responsibility (CSR). Meanwhile, the dependent variable used is Corporate Value. The population in this study are construction service companies listed on the Indonesia Stock Exchange in 2009-2017. Samples were collected by purposive sampling method. The number of companies used as the sample of this research are 4 construction service companies. The method of analysis of this study uses multiple linear regression. In this study, financial performance variables are proxied by Non Performing Loans (NPL), Loan to Deposit Ratio (LDR), Return on Assets (ROA), Capital Adequacy Ratio (CAR), and Corporate Social Responsibility (CSR) variables proxied by disclosure index Corporate Social Responsibility Disclosure. The results of this study indicate that partially, Non Performing Loans (NPL) have a significantly negative effect on Company Value (Y), Loan to Deposit Ratio (LDR) has a significantly positive effect on Company Value (Y), influential Return on Assets (ROA) positively significant towards Corporate Value (Y), Capital Adequacy Ratio (CAR) has a significantly positive effect on Company Value (Y), Corporate Social Responsibility (CSR) has a significantly positive effect on Corporate Value (Y). Simultaneously, all independent variables affect the dependent variable.

Keywords: Financial Performance, CSR, Company Value

INTRODUCTION

The development of public infrastructure is a supporting factor in increasing the competitiveness of a country. According to the Global Competitiveness Index (GCI) data released by the World Economic Forum (WEF), the global competitiveness index in Indonesia's public infrastructure sector is ranked 61. The quality of public infrastructure in Indonesia is still far behind compared to other ASEAN countries, such as Singapore, which is rated 2, Malaysia, ranked 29, Thailand, ranked 47 and Brunei Darussalam, ranked 58. Public infrastructure development and the quality of Indonesia's public infrastructure are still lower than those of the other four (4) ASEAN countries (Sibora. et al, 2017).

In the Islamic perspective, development has different characteristics and orientations from development in conventional economics. Islam views that not only material development is important, but spiritual and moral aspects are also fundamental. Because development in Islam is not only oriented to the worldly nature but more than that, namely the world and the hereafter. According to Islam, the main emphasis on development lies

in; First the utilization of the resources that God has given to humanity and the environment to the maximum extent possible. Second, by utilizing these resources through distribution, the increase is evenly distributed based on the principles of justice and truth. Islam advocates gratitude and justice and condemns kufr and injustice.

In general, the goal of economic development in Islam is the fulfilment and maintenance of maqâshid syar'ah (religion, soul, mind, lineage, and property) so that falah or welfare of the world and the hereafter is achieved. Khan (1994) explained that falah includes survival, freedom of will, and strength and self-esteem with several aspects that are fulfilled both on a small and large scale. According to the Qur'an in Surah Al-Mulk, verse 15:

هُوَ الَّذِي جَعَلَ لَكُمُ الْأَرْضَ ذُلُولًا فَأَمْشُوا فِي مَنَاكِبِهَا وَكُلُوا مِن رِّزْقِهِ وَإِلَيْهِ النُّشُورُ

Meaning: "It is He Who made the earth easy for you, so walk in all directions and eat part of His sustenance. And to Him you (return after) resurrected." This verse implies that, in general, how is the obligation to pay for and build facilities that support such success. It is evident that in Islam, development is also an essential concern in advancing civilization. Therefore, Allah SWT provides Islamic Shari'a or laws to guide humans to achieve the best values of life in this world and the hereafter. Islamic law has ensured conformity in human life, so if Islamic regulations are implemented based on general and specific guidelines for sharia objectives, social and economic stability and justice will be achieved.

Quality of public infrastructure in Indonesia is the main obstacle to implementing the mode of transportation of goods and society, especially in increasing the competitiveness of a country in providing public services, so efforts and seriousness are needed in building public infrastructure. Infrastructure development cannot be separated from the role of construction companies in building good synergy to create strong competitiveness in a country and requires construction companies to provide exemplary performance (Sibora. et al, 2017). Every construction company cannot be separated from financial problems because the success or failure of the company depends on the company's financial condition, which is prepared in the financial statements.

Analysis of financial statements and their interpretation is essential to assess the company's financial condition and its potential or progress through financial statements. Financial statement analysis includes applying various analytical tools and techniques to financial statements to obtain meaningful and valuable measures and relationships in the decision-making process. So the purpose of financial statement analysis is to convert data into information. There are several objectives to be achieved in the analysis of financial statements, for example, as a forecasting tool regarding the future financial conditions and performance (Sibora. et al, 2017). Investors consider Company value necessary because the market evaluates the company as a whole by looking at Company value (FV) or enterprise value (EV). This can be realized if the management can make good decisions. A good decision is a decision that can produce a maximum share price because it will maximize shareholder wealth (Houston, 2010).

The purpose of financial management is to maximize the value of the company. However, behind this goal is a conflict between shareholders and managers and with providers of funds as creditors. Shareholders will tend to maximize the value of shares and force managers to act in their interests through supervision (Husnan, 1998). Creditors, on the other hand, tend to try to protect the

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funds they have invested in the company with guarantees and strict supervisory policies as well. Managers also have the drive to pursue their interests. Managers can make investments even though these investments cannot maximize shareholder value. These differences in interests lead to conflicts which are often called agency conflicts (Srihayati, 2015).

Non-Performing Loan (NPL) is the ratio between total non-performing loans and total loans extended to debtors. A company is said to have a high NPL if the number of non-performing loans exceeds the amount of credit extended to debtors. A company with a high NPL will increase costs, both the cost of reserves for productive assets and other costs. In other words, the higher the NPL of a company, it will disrupt its performance (Ali, 2004). However, a high Non-Performing Loan (NPL) reflects the number of non-performing loans compared to the number of loans, which will disrupt the company's performance (Srihayati, 2015).

The Loan to Deposit Ratio (LDR) measures the company's ability to pay its debts, repay its depositors, and meet the submitted credit requests. Loan to Deposit Ratio (LDR) is between 80% to 110% (Werdaningtyas, 2002). The higher the Loan Deposit Ratio (LDR), the company's profit will increase; with the increase in company profit, the company's performance will also increase. Thus, the size of a company's Loan to Deposit Ratio (LDR) will affect the performance of the company (Kusuma and Musaroh, 2014).

Return on Assets (ROA) is the ratio between profit before tax to total assets. The greater the ROA indicates, the better financial performance because the rate of return (return) is getting bigger. If ROA increases, the company's profitability increases, so the final impact is increased profitability enjoyed by shareholders (Husnan, 1998). Companies sometimes experience an inability to increase the value of Return on Assets (ROA) which results in a decrease in stock prices (Anggitasari, 2012).

Capital Adequacy Ratio (CAR) is a financial ratio related to the company's capital where the amount of a company's capital will affect whether or not a company can efficiently carry out its activities. Suppose the capital owned by the company can absorb unavoidable losses. In that case, the company can manage all its activities efficiently so that its wealth (shareholder wealth) is expected to increase and vice versa (Muljono, 1999). It can be concluded that the Capital Adequacy Ratio (CAR) is related to the aspect of the company's capital, so the size of the capital will affect the company's ability to absorb losses and the company's ability to improve its performance (Srihayati, 2015).

Several factors affect the value of the company, one of which is Corporate Social Responsibility (CSR). Nowadays, implementing Corporate Social Responsibility (CSR) is a vital aspect to pay attention. Companies are no longer only faced with responsibilities based on a single bottom line, namely the company's value (corporate value), which can be seen only in its finances. Corporate responsibility must be based on the triple bottom line. Other bottom lines besides financial, namely social and environmental. This is because the financial condition alone cannot guarantee that the company will grow sustainably (Nurlela and Islahudin, 2008).

Based on the Global Reporting Initiative (GRI) index, Corporate Social Responsibility (CSR) disclosures are grouped into several dimensions, namely the dimensions of strategy and analysis, organizational profile, reporting parameters,

governance, commitment, and involvement, economic performance, environment, labour and employment practices worthy, human rights, society, and product responsibility (Srihayati, 2015). This relates to the impact of the company's activities. The company's activities comprehensively impact the economy, the environment, and even social life. Thus, companies must take responsibility for these impacts.

Mining and manufacturing companies in Indonesia have widely applied the practice of CSR disclosure. However, at present, the industry has also mentioned aspects of social responsibility in its annual report, although, in a relatively simple form, it should be based on economic, environmental, labour, human rights, community/social performance indicators, (Fitria, 2010). According to Mulyanita (2009), companies in Indonesia carry out social reporting because of a change in the accountability paradigm, from management to shareholders to management to all stakeholders. Corporate social responsibility or Corporate Social Responsibility (CSR) in the financial statements of construction companies is still in a relatively simple form; disclosure and implementation should be based on indicators of economic, environmental, labour, human rights, community or social performance, and products (Nandasari, 2013).

Research conducted by Murni. et al. (2016) on Factors Affecting Company Value on the IDX in Facing AEC. The dependent variable in Murni's research (2016) is Company Value, and the independent variables are ROA, ROE, Company Risk, LDR, and NPL. The results of the research conducted by Murni et al. (2016) show that ROA, ROE, Company Risk, LDR, and NPL significantly affect Company Value. While partially ROA has a positive and significant effect on Company value, ROE has a positive and not significant effect on Company value, Company risk and LDR have a negative and significant effect on Company value, and NPL has a negative and insignificant effect on Company value.

LITERATURE REVIEW

Agency Theory

Jansen and Meckling (1976) state that agency theory describes shareholders as principals and management as agents to manage the company. Eisenhardt (1989) explains:

"That agency theory is based on three assumptions of basic human nature, namely (1) human nature which is generally selfish, (2) human nature which has limited thinking power regarding future perceptions, and (3) human nature which prefers to avoid risk."

Jensen and Meckling (1976) say *"that agency problems can occur because of asymmetric information between owners and managers"*. This follows the assumption that human nature has been described previously: humans are generally more selfish and tend to avoid risk. Asymmetric information arises when one party has information the other party does not. Asymmetric information consists of two types, namely moral hazard and adverse selection. A moral hazard occurs when managers take actions without the owner's knowledge for his gain and result in a decrease in the owner's welfare (Jensen and Meckling, 1976).

Meanwhile, adverse selection occurs when one party feels he has less information than another. The party will not want to agree and will limit it to strict conditions and high costs. More broadly, adverse selection can also occur between company owners and creditors. Adverse selection by the company's owner against creditors in the future can be detrimental to creditors. Various important company

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information hidden can create losses for creditors and shareholders if the information explains the company's negative experience in the credit sector (Jensen and Meckling, 1976).

According to Fachriyah (2011), to overcome agency problems or asymmetry between creditors or principals as owners of loan funds and company owners or agents as borrowers of funds, the best alternative that can be used is to produce reliable reports on the management of the company's operational activities. This reliable report is expected to protect the interests of users of financial statements, one of which is creditors. Furthermore, third parties who can produce reliable reports are third parties outside of creditors and companies.

Overcoming or reducing agency problems creates agency costs that both the principal and the agent will bear. Jensen and Meckling (1976) divide this agency cost into monitoring, bonding, and residual loss. Monitoring costs are incurred and borne by the principal to monitor agents' behaviour. Bonding costs are costs borne by the agent to establish and comply with a mechanism that ensures that the agent will act in the interests of the principal. Furthermore, the residual loss is a sacrifice in the form of reduced prosperity of the principal due to the difference between the agent's and principal's decisions.

Jensen and Meckling (1976) put forward agency theory which explains the relationship between company management or agents and shareholders or principals. An agency relationship is a contract of one or more principals that instructs another person or agent to perform a service on behalf of the principal and authorizes the agent to make the best decision for the principal. The principal can also limit the divergence of his interests by providing an appropriate level of incentive to the agent and is willing to incur monitoring costs to prevent the hazard from the agent. On the other hand, agency theory can also imply the existence of information asymmetry. Inter-group conflict or agency conflict is a conflict that arises between the owner and manager of a company where there is a tendency for managers to prioritize individual goals rather than company goals. Several factors have led to the emergence of Colgan's (2001) agency problems, namely:

- **Moral Hazard**
This generally occurs in large companies or high complexity, where a manager performs activities not fully known by shareholders or lenders. Managers may act outside the knowledge of shareholders that violate contracts and may not be ethically or normatively appropriate.
- **Earnings Retention**
This problem revolves around the tendency to overinvest by management or agents through improvement and growth to increase power, prestige, or appreciation for themselves. However, it can destroy the welfare of shareholders.
- **Time Horizon**
This conflict arises due to cash flow conditions, with top management emphasizing cash flows for an uncertain future while management tends to emphasize matters related to their work.
- **Managerial Risk Avoidance**
This problem arises when there is a limitation on portfolio diversification related to managerial income for the performance it achieves, so managers will try to minimize the risk of company shares from investment decisions that

increase their risk. For example, management prefers equity funding and tries to avoid borrowing debt due to bankruptcy or failure.

Signalling Theory

According to Work et al. (2000), the signal theory is why companies present information to the capital market. Signal theory suggests how companies should signal users of financial statements. The signal theory states that good quality companies will intentionally give signals to the market. Thus the market is expected to be able to distinguish between sound quality and poor quality companies. For the signal to be effective, it must be captured by the market, perceived as good, and not easily imitated by poor-quality companies (Hartono, 2005).

Companies with confidence that their company has good future prospects will tend to communicate the news to investors (Ross, 1977). In this study, a good company will give a good signal by submitting financial reports promptly. This cannot be imitated by companies with bad financial reports that cannot submit their financial statements on time. In this study, good companies are declared good news, while companies with bad financial reports are declared terrible news. Signal theory can also help companies or agents, owners or principals, and parties outside the company reduce information asymmetry by producing quality or integrity of financial statement information. To ensure that interested parties believe in the reliability of financial information submitted by the company or agent, it is necessary to obtain opinions from other parties who are free to provide opinions on financial statements (Jamaan, 2008).

Company Value

The company as a business entity has the direction and purpose of carrying out its operational activities. Maximizing the value of the company is one of the company's goals to provide the welfare of shareholders. Company value is defined as market value. The increasing share price of the company can also increase the value of the company and maximize shareholder wealth. The higher share price is directly proportional to the increase in shareholder wealth. Investors entrust the company's management to achieve company value to professionals who are managers or commissioners. Nurlala and Islahudin (2008).

Rika and Islahudin (2008) explain that enterprise value (EV) or Company value is an essential concept for investors. Enterprise value (EV) or Company value (company value) is a market indicator in assessing the company. Meanwhile, Husnan (2008) states that the company's value is the prospective price buyers are willing to pay if the company is sold. The price that the prospective buyer is willing to pay is the company's market price. Puspita (2011) explains that maximizing the present value of all shareholder profits will increase as the share price increases. Based on the various definitions above, it can be concluded that the company's value is its market price, which is reflected in its share price, which aims to prosper the shareholders. Thus, it can be interpreted that the high stock price in a company will indicate that the value of the company is also high.

Wetson and Copeland (2008) explain that valuation ratios or market ratios are used to measure Company value. The assessment ratio is the most comprehensive measure of performance for a company because this assessment has shown how the combined effect of the return on risk ratio is. Tobin's Q ratio is valuable because it shows how current financial market estimates relate to the return on each dollar of incremental investment. The use of Tobin's Q ratio in various studies has undergone various modifications from the original formulation proposed by Lindenberg and Ross (1981).

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Tobin's Q modifications that are consistently used are according to Chung and Pruitt (1994). They developed Tobin's Q formula because, in actual practice, asset replacement costs are often unavailable and difficult to calculate. The formula is then adjusted again to the conditions of the financial transactions of companies in Indonesia. The formula for Tobin's Q is:

$$Q = (ME+DEBT)/TA$$

Where:

Q = Company value

ME = The number of common shares of the company outstanding multiplied by the closing price.

DEBT = Total Debt

TA = Book value of the company's total assets

The result of calculating this ratio is that if the ratio is equal to one, then this can be interpreted that investing in assets that generate profits with a higher value than investment will stimulate new investment.

Financial performance

Performance is one of the essential factors that show the effectiveness and efficiency of an organization in order to achieve its goals. According to the Indonesian Accounting Association (IAI, 2007), performance can be defined as the company's ability to implement company policies and procedures, which are the quantification and effectiveness in operating the business during a particular accounting period. The company's performance can be measured by analyzing and evaluating financial statements (Zarkasy, 2008) that :

"An organization produces financial performance in a certain period concerning the standards set."

Gitosudarmo and Basri (2002) argue that:

"Financial performance is a series of financial activities at a certain period reported in the financial statements consisting of profit and loss and balance sheets."

Performance is an important thing that every company must achieve because performance reflects the company's ability to manage and allocate its resources. Company performance is a measure of success for company directors, so if the company's performance is terrible, these directors may be replaced (Kasmir, 2004). The company's overall performance is a description of its achievements in its operational activities, both regarding aspects of finance, marketing, fundraising and distribution, technology, and human resources. Performance appraisal is intended to assess the success of a company. The continuous decline in performance can cause financial distress, a complicated situation that can even be close to bankruptcy. With so many company performances that fluctuate and there are always companies that go bankrupt, the company's performance assessment is an essential factor to do (Sari and Priantinah, 2018; Nandasari, 2013).

This benchmark cannot reveal the causes of the company's success and only reports what happened in the past without showing how managers can improve the company's performance in the next period. This assessment can be very misleading because it is possible that good current financial performance was created at the expense of the company's long-term interests. On the other hand, the current poor financial performance occurs because the company makes investments for long-term interests. In addition, performance measurements that only focus on financial performance tend to ignore non-financial performance such as customer

satisfaction, productivity and cost-effectiveness, increased operational capabilities, new services or products, employee expertise, management integrity, supplier network, customer base, and distribution channels and name. Both companies are intangible assets that significantly determine the company's success (Sari and Priantinah, 2018; Nandasari, 2013).

For each company, the final result of the research on the company's condition reflects the performance that the company has carried out. This can be used as a means of determining business strategies in the future. The company's soundness is an assessment of the company's financial statements' condition at a particular time.

Good Corporate Governance

Good Corporate Governance (GCG) in terms of compliance with GCG principles. GCG reflects the management part of capital (capital), asset quality (asset quality), management (management), profitability (earnings), liquidity (liquidity), sensitivity to market risk (sensitivity to market risk) or the so-called CAMELS ratio. Perfected Dendawijaya (2009). The company takes into account the impact of the company's GCG on the company's GCG performance by considering the significance of the weaknesses and materiality of the subsidiary companies.

Earning is one of the assessments of the company's health from the profitability side. Profitability assessment indicators are ROA (Return On Assets), ROE (Return On Equity), NIM (Net Interest Margin), and BOPO (Operating Expenses to Operating Income). The characteristics of the company in terms of profitability are the company's performance in generating profits, the stability of the components that support the main income, and the ability of earnings to increase capital and prospects for future profits. In the assessment of the profitability factor, it is based on 2 (two) ratios, namely (Prasnanugraha, 2009): (1) Earning Before Income Tax (EBIT) Ratio in the last 12 months to the Average Business Volume in the same period; and (2) Ratio of Operating Expenses in the last 12 months to Operating Income in the same period. For this reason, it is often used with the abbreviation BOPO, which is operational costs compared to operating income. If item (1) above is 0% or negative, the credit score is 0 and for every 0.015% increase starting from 0%, the credit score is added by 1 with a maximum of 100. If item b is 100% or more, the credit score is 0 and for each a decrease of 0.08%, then the credit value is increased by 1 with a maximum of 100 (Hasibuan, 2007).

This study uses Return on Assets (ROA) as an indicator of profitability. ROA is used to measure company profitability because Indonesian companies, as supervisors and supervisors of companies, prioritize the profitability of a company, measured by assets whose funds are primarily from public deposits, Dendawijaya (2009). Return on Assets (ROA) is a ratio used to measure the company's management ability to obtain profitability and manage the overall level of business efficiency of the company. The greater the value of this ratio indicates the profitability of the company's business, the better or healthier (Prasnanugraha, 2009).

Return On Assets (ROA) compares profit before tax with the average total assets in a period. This ratio can be used as a measure of financial health. ROA shows the effectiveness of the company so that it becomes an integral part of the company considering the profits derived from the use of assets can reflect the level of business efficiency of a company. The greater the ROA, the greater the level of profit achieved by the company, so it is less likely that the company will be in a problematic condition. In the framework of the company's health assessment, a

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maximum score of 100 is categorized as healthy if the company has a ROA > 1.5% (Hasibuan, 2007).

Capital or capital has indicators including capital adequacy ratio and capital adequacy v to anticipate potential losses according to risk profile, accompanied by powerful capital management following the characteristics, business scale and complexity of the company's business. The capital adequacy ratio uses the calculation of the Capital Adequacy Ratio (CAR). Capital Adequacy Ratio (CAR) is a capital ratio that shows the company's ability to provide funds for business development purposes and accommodate the possible risk of loss caused by the company's operations—the greater the ratio, the better the capital position of Achmad and Kusumo (2003). The CAR ratio measures the adequacy of the company's capital to support assets that contain or generate risks, such as loans. The calculation of the CAR ratio is as follows (Veithzal, 2007):

$$\text{CAR} = \text{Modal} / \text{RWA} \times 100\%$$

Information:

CAR = Capital Adequacy Ratio

RWA = Risk-Weighted Assets

According to Sinungan (2009), risk-weighted assets (RWA) are listed on the balance sheet and administrative assets as reflected in contingent liabilities and commitments provided by the company to third parties. For each type of asset, a risk weight is determined based on the level of risk contained in the asset itself or a risk weight based on the class of customer, guarantor, or the nature of the collateral.

Meanwhile, according to Sinungan (2009), the steps in calculating the company's minimum capital adequacy are as follows: RWA for balance sheet assets is calculated by multiplying the nominal value of each asset in question by the risk weight of each of the balance sheet assets. RWA for administrative assets is calculated by multiplying the nominal value of the administrative account in question with the risk weight of each account item.

Total RWA = RWA balance sheet assets + administrative assets.

The company's capital ratio can be calculated by comparing the company's capital (core capital + additional capital) and the total RWA.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a form of corporate responsibility to improve social and environmental problems resulting from the company's operational activities. Therefore, CSR plays a significant role in increasing the company's value. Sari et.al (2013) revealed that CSR should be considered a long-term strategy that will benefit the company, not a dangerous activity. In addition, Chariri (2008) argues that companies can disclose CSR as a managerial tool to prevent social and environmental problems.

CSR is a company's ongoing commitment to contribute to economic development by improving the quality of life of workers and their families, both in the community and in society. Elkington (1997) and Susanto (2009) suggest that the company will pay attention to three aspects, namely improving the quality of the company (profit), attention to the community, especially the surrounding community (people) and the environment (planet earth) as a form of corporate social responsibility. CSR is one of the critical concepts in corporate management. The concept of CSR became known in the early 1970s. Based on several definitions of Corporate Social Responsibility (CSR), it can be concluded that Corporate Social

Responsibility (CSR) is a form of corporate responsibility to stakeholders socially and environmentally in matters relating to the company's operational activities.

The formal definition of corporate social responsibility (CSR) is the obligation of management to make choices and take actions that play a role in realizing prosperity and society (Fahmi, 2011). Disclosure of corporate social responsibility (CSR) is a positive signal given by the company to parties outside the company, which stakeholders and shareholders will respond to through changes in the company's stock price and company profits. The concept of corporate social responsibility has been known since 1979. It is generally defined as a collection of policies and practices related to stakeholders, values of compliance with the law, community respect for the environment and commitment to the business world (Fahmi, 2011).

Various company stakeholders can be grouped into internal and external stakeholders. Insiders are individuals or groups of shareholders or employees of the company. Outsiders are individuals or other groups affected by the company's actions. A large number of outsiders make the general claim that companies should be socially responsible (Robinson and Pearce, 2014). Corporate Social Responsibility (CSR) is an approach where companies integrate social concerns in their business operations and interactions with stakeholders based on the principles of volunteerism and partnership. Nuryana (2005) states that Social responsibility is a way for a company to voluntarily integrate environmental and social concerns into its operations and interactions with stakeholders, which goes beyond corporate responsibilities in the field of law (Darwin, 2006).

To better understand the nature and scope of social responsibility that must be planned, strategic managers can consider four types of social commitment (Robinson and Pearce, 2014). First, economic responsibility is the most fundamental corporate social responsibility. Some economists see this as the only legitimate corporate social responsibility. Managers must maximise profits, if possible, to fulfil a company's economic responsibilities. The company's core responsibility is to provide goods and services to the community at a reasonable cost. Companies can also be socially responsible in carrying out their economic responsibilities by providing productive jobs to the workforce and paying taxes to local, state, and federal governments. In terms of corporate managers, they have economic responsibilities, including to shareholders in the form of managing companies that generate profits, some of which will be distributed to shareholders in the form of dividends, and part of other profits are retained earnings which will be reinvested in the company (Solihin, 2012).

Second, legal responsibilities reflect the company's obligation to comply with business activities laws. The consumer and environmental movement is directing increasing public attention to corporate social responsibility by lobbying for laws governing business in terms of pollution control and consumer safety. Consumer law aims to improve the balance of power between buyers and sellers in the market. Laws and regulations are made, so the company runs according to the community's expectations. In addition, laws and regulations also help create a relatively fair business arena for all business players in an industry that competes with one another. The goal to be achieved through law and regulation enforcement is that the actions of other competing companies do not harm one company (Solihin, 2012).

Third, ethical responsibilities reflect the company's idea of right and proper business behaviour. Ethical responsibilities are obligations that go beyond legal obligations. Companies are expected, but not obligated, to behave ethically. Some

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actions that do not violate the law may be considered unethical. For example, producing and distributing cigarettes does not violate the law. However, looking at the consequences of smoking, which often leads to death, some consider the sale of cigarettes unethical. Fourth, discretionary responsibilities are voluntarily carried out by a business organization. These responsibilities include public relations activities, good citizenship, and full corporate social responsibility. Through public relations activities, managers seek to strengthen the image of their companies, products and services by supporting worthwhile causes. This form of discretionary responsibility has a self-service dimension.

CSR disclosure is defined as a process of providing information about company activities aimed at interested groups and their social and environmental impacts (Sari et.al, 2013). Corporate social responsibility is disclosed in a report called Sustainability Reporting. Sustainability Reporting is a reporting practice measuring and disclosing company activities as a form of corporate responsibility to stakeholders regarding organizational performance in realizing sustainable development goals (globalreporting.org). Sustainability Reporting should be a high-level strategic document that places issues, challenges, and opportunities for sustainable development that lead the company to its core business and industrial sector.

CSR disclosure indicators are measured based on the Global Reporting Initiative (GRI) standard. The Global Reporting Initiative (GRI) is a network-based organization that has pioneered global developments. The Global Reporting Initiative (GRI) uses many sustainability reporting frameworks and always strives to increase commitments in terms of improvement and implementation that can be carried out worldwide. (globalreporting.org). the indicators contained in the GRI, namely: economic performance indicators, environmental performance indicators, labour practices performance indicators, human rights performance indicators, social performance indicators, and product performance indicators.

Measuring Corporate Social Responsibility (CSR) uses the CSR index, which is the relative disclosure area of each sample company for its social disclosures (Zuhroh and Sukmawati, 2003). Based on the Global Reporting Initiative (GRI), the number of disclosure items is 79. The CSR calculation formula is (Nandasari, 2013):
$$CSRDI = (\text{number of CSR information items disclosed}) / (79 \text{ CSR information items}) \times 100\%$$

Information:

CSRDI = Corporate Social Responsibility Disclosure index of the company.

HYPOTHESIS DEVELOPMENT

The Influence of Non-Performing Loans (NPL) on Company Value

NPL is the percentage of the number of non-performing loans to the total loans disbursed by the company. Credit risk results from loans that are not repaid or there is no certainty of repayment (Achmad and Kusumo, 2003); Ali, 2004; Irham, 2011). Non-performing loans have the opportunity to cause several problems for the company. Bad loans make the company lose the opportunity to earn interest from the loans, thereby reducing profit. In the long term, non-performing loans will undoubtedly cause the company's performance to decline. The greater the NPL in the company, it can cause the decrease in performance and impact the decline in company value (Irham, 2011).

Sari and Priantinah (2018) found that the results of this study indicate that non-performing loans have a negative and insignificant effect on Company value. Murni. et al. (2016) also found that NPL significantly affected Company value. Srihayati (2015) also states that CAR, NPL, BOPO, LDR, and NIM affect the Company Value. So that the proposed hypothesis is:

H1: Non-Performing Loans (NPL) negatively and significantly affect Company value.

The Influence of Loan to Deposit Ratio (LDR) on Company Value

Loan to Deposit Ratio (LDR) is the ratio between the financing provided by the company to its customers compared to companies that enter or are collected from the community (Srihayati, 2015). LDR reflects the company's ability to redistribute funds collected from the public in the form of credit in addition to meeting customer withdrawal requests. The size of the LDR ratio of a company will affect the company's income. The greater the number of funds distributed to customers in the form of credit, the number of unemployed funds will decrease, and the interest income earned will increase. The greater the loan disbursement, and as long as the level of bad loans does not exceed the maximum limit, the increase in interest income will improve financial performance. So, a company's high-performance level will usually influence investors in making investment decisions (Pure et al., 2016). The existence of investor satisfaction with stock is more actively traded, automatically increasing its liquidity and share price. The increase in stock prices will increase the value of the company.

Kusuma and Musaroh (2014) analyzed the effect of financial ratios on the value of banking companies listed on the Indonesia Stock Exchange. LDR has a positive effect on Company value. Srihayati (2015) found that CAR, NPL, BOPO, LDR, and NIM affect Company value. Furthermore, Murni. et al. (2016) also prove that LDR significantly affects Company value. So that the proposed hypothesis is:

H2: Loan to Deposit Ratio (LDR) positively and significantly affects Company value.

The Influence of Return on Assets (ROA) on Company Value

Return on Assets (ROA) reflects the company's ability to generate profits from the turnover of its assets. Suppose the high Return reflects the company's financial performance on Assets (ROA). In that case, the company's value will also increase because the value of the company is determined by the efficiency of the company's assets (Anggitasari, 2012). The more efficient the asset turnover, the higher the profit margin obtained by the company. The higher the Return on Assets (ROA), the more investors assess and perceive financial performance in the future. This can increase investor satisfaction. The more satisfied investors are with the stock, the more actively it is traded, which automatically increases its share price (Pure et al., 2016). The increase in stock prices will increase the value of the company.

Anggitasari's research (2012) shows that ROA does not significantly affect Tobins Q. However, Kusuma and Musaroh (2014) find that ROA, NIM and LDR have a positive effect on Company value. Murni. et al. (2016) also found that partially ROA has a positive and significant effect on Company value. So that the proposed hypothesis is:

H3: Return on Assets (ROA) has a positive and significant effect on Company Value

The Influence of Capital Adequacy Ratio (CAR) on Company Value

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The capital Adequacy Ratio (CAR) indicates the company's health. CAR is a measure of the company's capital adequacy that reflects the minimum capital the company must own to guarantee the interests of third parties. Capital adequacy is critical for companies to cover losses from their operational activities (Sari and Priantinah, 2018). A high CAR value company will increase the value of the company through increasing public trust (Nandasari, 2013).

Previous empirical studies, such as those by Srihayati (2015), obtained a simultaneous correlation between the financial performance of banks consisting of CAR, NPL, BOPO, LDR, and NIM, which affect Company value. Sari and Priantinah (2018) also reveal that the Capital Adequacy Ratio positively affects Company value. Nandasari (2013) generally states that partially, Corporate Social Responsibility and Good Corporate Governance have a positive and significant effect on Company value. So that the proposed hypothesis is:

H4: Capital Adequacy Ratio (CAR) has a positive and significant effect on Company Value

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

Corporate Social Responsibility (CSR) is a form of corporate responsibility to stakeholders socially and environmentally in terms of money related to the company's operational activities (Susanto, 2009; Jama'an, 2008). Companies are not only faced with the form of single bottom line responsibility, namely the financial dimension, but also with the triple bottom line, namely the financial, environmental, and social dimensions (Nandasari, 2009; Sugesti, 2009). The issuance of Law Number 40 of 2007, which regulates corporate social responsibility, causes companies not only to focus on financial aspects but also on social and environmental aspects. Based on the theory of legitimacy, companies must provide disclosures of their social activities that will ensure the company's survival and make it acceptable to society. Corporate Social Responsibility (CSR) is considered to positively affect Company value (Anggitasari, 2012; Sari and Priantinah, 2018; Isti'adah, 2015; Wahyudin, 2008).

Nandasari (2013) generally states that partially, Corporate Social Responsibility and Good Corporate Governance have a positive and significant effect on Company value. Sari and Priantinah (2018) state that there is an effect of Financial Performance (NPL, LDR, ROA, and CAR) and Corporate Social Responsibility on Company Value. So that the proposed hypothesis is:

H5: Corporate Social Responsibility (CSR) has a positive and significant effect on Company Value

Company value can be influenced by two factors, namely Financial Performance, which includes NPL, LDR, ROA, and CAR. In terms of financial performance, if a company maximizes financial performance (NPL, LDR, ROA, and CAR), it is expected that the company's value can increase (Srihayati, 2015). On the other hand, Corporate Social Responsibility (CSR) is essential and must be reported by the company. CSR is a form of corporate responsibility towards social and environmental aspects as well as one of the things that investors consider when making investment decisions. Thus, Financial Performance and Corporate Social Responsibility (CSR) can jointly affect Company Value (Anggitasari, 2012; Sari and Priantinah, 2018; Isti'adah, 2015; Wahyudin, 2008).

The results of previous relevant studies include Srihayati (2015), finding that CAR, NPL, BOPO, LDR, and NIM affect Company Value. Kusuma and Musaroh (2014) found that ROA, NIM and LDR positively affected Company value. Nanandasari (2013) generally stated that partially, Corporate Social Responsibility and Good Corporate Governance had a positive and significant effect on Company value. So that the proposed hypothesis is:

H6: Non-Performing Loans (NPL), Loan to Deposit Ratio (LDR), Return on Assets (ROA), Capital Adequacy Ratio (CAR), and Corporate Social Responsibility (CSR) have a significant effect on Company Value

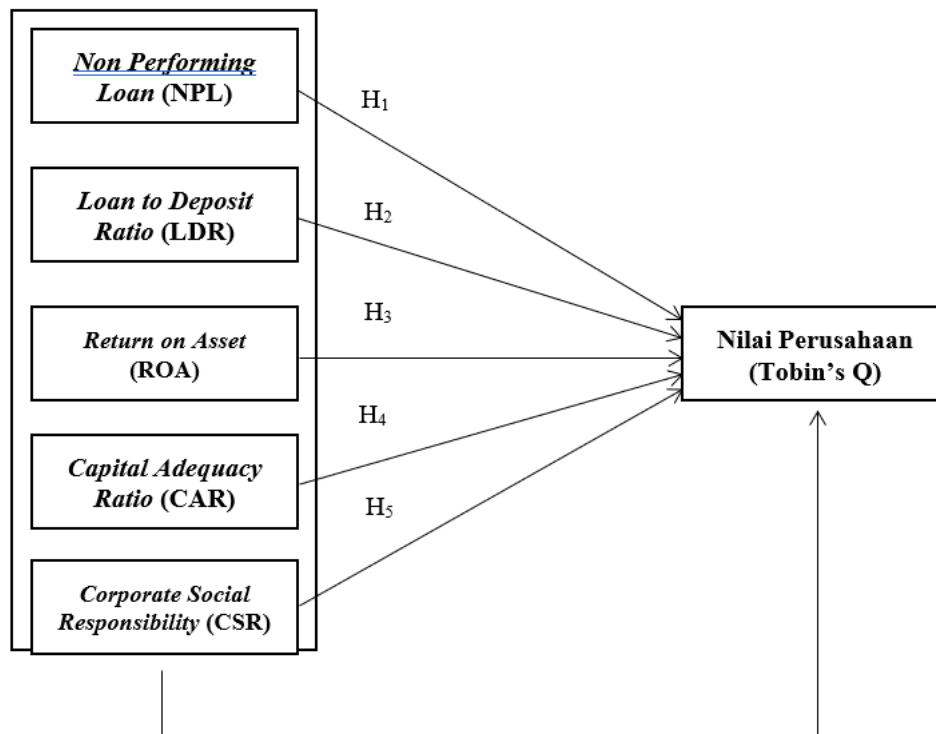


Figure 1. Logical Framework

METHODOLOGY

The researcher used one dependent variable and five independent variables. The dependent variable used is Company Value with Tobin's Q method. In contrast, the independent variable is Financial Performance, which uses the ratio of NPL, LDR, ROA, CAR, and other independent variables, namely CSR. This study uses a quantitative approach. A quantitative approach is an approach that uses data in the form of numbers in statistical analysis. This research is comparative causal research, a research method that aims to determine the effect of the independent variable on the dependent variable. In this study, the dependent variable is Company Value (Tobin's Q), while the independent variables in this study are Financial Performance (NPL, LDR, ROA, CAR) and CSR.

The data used in this study is secondary data in the form of company financial performance data, which includes data on Non-Performing Loans (NPL), Loan to Deposit Ratio (LDR), Return on Assets (ROA), Capital Adequacy Ratio (CAR), and Corporate Social data. Responsibility (CSR). The data used in this study were obtained from the 2013-2021 Annual Financial Statements of Construction Companies from www.idx.co.id. The total number of samples used is 36, with details of 4 construction companies multiplied by nine years of observation. The data is a

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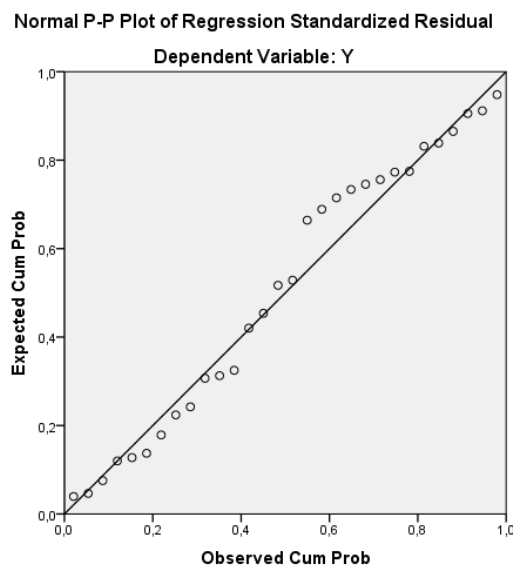
time series—data analysis technique using Multiple Linear Regression with SPSS version 24 test tool.

RESULTS AND ANALYSIS

Classic Assumption Test Results

1. Normality Test

The normality test aims to test whether, in the regression model, the confounding or residual variables have a normal distribution. To test the normality of the data in this study, graph analysis was used, namely by analyzing the normal probability plot graph. Based on the test results, the data spread around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, so the regression model meets the normality assumption.



Source: SPSS Results, 2022

Figure 2. Normal P-Plot

**Table 2. Multicollinearity Test Result
Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	,065	53,425		,901	,999					
	X1	-,100	,063	-,185	2,596	,003	-,231	-,155	-,150	,659	1,518
	X2	,241	,007	,708	3,070	,004	,054	,007	,007	,748	1,336
	X3	,103	,018	,016	6,544	,000	,015	,014	,013	,152	1,331
	X4	,043	,765	,226	4,372	,001	,068	,006	,006	,332	1,423
	X5	,011	,105	,428	6,296	,013	,065	,011	,010	,234	1,340

a. Dependent Variable: Y

Source: SPSS Results, 2022

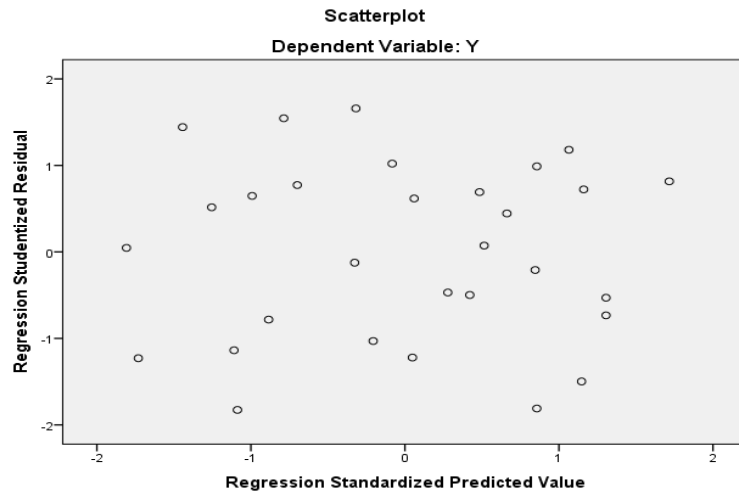
2. Multicollinearity Test

The multicollinearity test tests the regression's correlation between the independent variables (independent). A good regression model should not correlate with independent variables. Multicollinearity can be seen from the tolerance value and Variance Inflation Factor (VIF).

Based on the test results, it can be seen in the VIF column that the X1 variable has a value of 1.518, the X2 variable has a value of 1.336, the X3 variable has a value of 1.046, the X4 variable has a value of 1.423, and the X5 variable has a value of 1.340. So it can be concluded that all variables have a VIF value of less than 10, so they do not have multicollinearity problems with other independent variables. In addition, the Tolerance value of all variables is more than 10%.

3. Heteroscedasticity Test

The heteroscedasticity test aims to test the variance inequality of the residuals of another observation. A good regression model is a regression that is free from heteroscedasticity. Based on the results of the scatterplot, it can be seen in the graph that there is no specific regular pattern and the data is randomly distributed above and below the number 0 on the Y axis, so there is no heteroscedasticity identified.



Source: SPSS Results, 2022

Figure 3. Scatterplot

4. Autocorrelation Test

A good regression model is a regression that is free from autocorrelation. The method used to detect the presence or absence of autocorrelation is the Durbin Watson model (DW test). Autocorrelation is a condition where the error-term variable in a certain period is correlated with the error-term variable in another period, which means that the error-term variable is not random.

Table 2. Autocorrelation Test Result

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Sig. F Change	Durbin-Watson
					R Square Change	F Change	df1	df2		
1	,600 ^a	,690	,528	,928206	,390	11,454	5	31	,002	1,975

a. Predictors: (Constant), X1, X2, X3, X4, X5,

b. Dependent Variable: Y

Sumber: Hasil SPSS, 2022

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Based on the output above, the Durbin Watson value is 1.975; this value will be compared with the table value using a significance of 5% (0.05). The number of samples $N=36$ and the number of independent variables 5 ($K=5$) obtained the values of $dU=1.8262$ and $dL=1.5591$. The autocorrelation detection method is the Durbin Watson value = 1.975, which is between $dU = 1.8262$ and $4-dU = 2.1738$, so it can be concluded that there is no positive or negative autocorrelation.

Multiple Linear Regression Results

Multiple linear regression was conducted to determine the extent to which the independent variable affects the dependent variable. In multiple regression, there is one dependent variable and more than one independent variable. This study's dependent variable is the stock price (Y). In contrast, the independent variables are Non Performing Loans (NPL) (X1), Loan to Deposit Ratio (LDR) (X2), Return on Assets (ROA) (X3), Capital Adequacy Ratio (CAR) (X4), and Corporate Social Responsibility (CSR) (X5). The results of the multiple regression test are as follows:

Table 3. Multiple Linear Regression Test Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	,065	53,425		,901	,999					
X1	-,100	,063	-,185	2,596	,003	-,231	-,155	-,150	,659	1,518
X2	,241	,007	,708	3,070	,004	,054	,007	,007	,748	1,336
X3	,103	,018	,016	6,544	,000	,015	,014	,013	,152	1,331
X4	,043	,765	,226	4,372	,001	,068	,006	,006	,332	1,423
X5	,011	,105	,428	6,296	,013	,065	,011	,010	,234	1,340

a. Dependent Variable: Y

Source: SPSS Results, 2022

The relationship between these variables can be described by the following equation:

$$Y = 0,065 - 0,100 X_1 + 0,241 X_2 + 0,103 X_3 + 0,043 X_4 + 0,011 X_5 + \varepsilon$$

where :

- Y = variable dependent *Nilai Perusahaan (Tobin's Q)*
- X₁ = variable independent *Non Performing Loan (NPL)*
- X₂ = variable independent *Loan to Deposit Ratio (LDR)*
- X₃ = variable independent *Return on Asset (ROA)*
- X₄ = variable independent *Capital Adequacy Ratio (CAR)*
- X₅ = variable independent *Corporate Social Responsibility (CSR)*
- e = error

Statistically, the accuracy of the sample regression function in estimating the actual can be measured from the t statistic value, the F statistic value and the coefficient of determination. A statistical calculation is said to be statistically significant if the value of the statistical test is in the critical area (where Ho is rejected). On the other hand, it is called insignificant if the value of the statistical test is in the area where Ho is accepted. Hypothesis testing uses time series data analysis which aims to see the effect of independent variables on the dependent variable and

the model's ability to explain Company Value in Non Performing Loans (NPL), Loan to Deposit Ratio (LDR), Return on Assets (ROA), Capital Adequacy Ratio (CAR), and Corporate Social Responsibility (CSR).

Correlation Coefficient Analysis

The correlation coefficient determines the strength of the influence between the independent and dependent variables. As a guideline to provide an interpretation of the resulting correlation coefficient as follows:

Table 4. Coefficient Interval

Coefficient Interval	Relationship Level
0,000 - 0,199	Very low
0,200 - 0,399	Low
0,400 - 0,599	Currently
0,600 - 0,799	Strong
0,800 - 1,000	Very strong

Source: Murni., et al (2016)

The following are the results of the analysis of the correlation coefficient between variables based on the results of multiple regression tests:

Table 5. Correlation Coefficient Analysis Results

Variable	Coefficient	Relationship Level
X1	0,100	Very low
X2	0,241	Low
X3	0,103	Very low
X4	0,043	Very low
X5	0,011	Very low

Source: SPSS Results, 2022

The test results above show that the correlation coefficients of the variables X1, X2, X3, X4, and X5 to Y are 0.100, 0.241, 0.103, 0.043, and 0.011, respectively. Variable X2 or Loan to Deposit Ratio (LDR) has the most substantial relationship among other variables, with a correlation coefficient of 0.241. The variable with the lowest relationship with variable Y is X5, or Corporate Social Responsibility (CSR), with a correlation coefficient of 0.011.

Coefficient of Determination Analysis R²

Analysis of the coefficient of determination (R²) is used to determine how big the percentage contribution of the influence of the independent variables simultaneously on the dependent variable. In this multiple regression model, the magnitude of the contribution of the independent variables to the dependent variable will be seen by looking at the magnitude of the coefficient of total determination (R²). If the (R²) obtained is close to 1 (one), it can be said that the stronger the model explains the relationship between the independent and dependent variables. Conversely, if (R²) is getting closer to 0 (zero), the weaker the impact of the independent variables on the dependent variable. Here are the results of the coefficient of determination R²:

**Table 6. Test Results for the Coefficient of Determination R²
Model Summary^b**

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Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,600 ^a	,690	,528	,928206	,390	11,454	5	31	,000	1,975

a. Predictors: (Constant), X1, X2, X3, X4, X5,

b. Dependent Variable: Y

Source: SPSS Results, 2022

The table above shows the R² value of 0.690, meaning that the contribution of the independent variables to the dependent variable is 0.690 or 69%. Thus, it can be concluded that the value of R² is close to 1 (one), and it can be said that the stronger the model explains the relationship of the independent variable to the dependent variable. At the same time, the remaining 31% is explained by other factors not included in the model.

F-Test Results

The f test is known as the simultaneous test, which is to test the effect of all the independent variables on the dependent variable.

Table 7. F-Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6,091	5	2,030	11,454	,000 ^b
	Residual	2,865	31	,110		
	Total	8,956	36			

a. Dependent Variable: Y

b. Predictors: (Constant), X1, X2, X3, X4, X5, X6, X7

Source: SPSS Results, 2022

The results of the f test analysis in the table above show that the calculated f value is 18.423, and the significance/probability value is 0.000 with a significance level of 5% ($\alpha = 0.05$). The hypothesis is accepted if the probability value is < 0.05 . The results of the f-test analysis show that the probability value is $0.000 < 0.05$, so it can be concluded that the independent variables together have a significant effect on Company value.

T-Test Results and Discussion

The t-test is known as the partial test, which tests how each independent variable's influence on the dependent variable is at a significant 5% level. The results of the t-test or partial test can be seen in Table 3. The following is a detailed explanation of the effect of the variable x on y partially:

The Influence of Non-Performing Loans (NPL) (X1) on Company Value (Y)

The results of the t-test analysis in the table above show that the coefficient value of a Non-Performing Loan (NPL) is -0.100, and the probability value is 0.003 with a significance level of 5% ($\alpha = 0.05$). The hypothesis is accepted if the probability value is < 0.05 . The results of the t-test analysis show that the probability value is $0.003 < 0.05$, so it can be concluded that Non-Performing Loans (NPL) have a significant adverse effect on Company Value (Y). Given this significant adverse effect, it can be interpreted that for every 1% increase or increase in Non Performing Loans (NPL) (X1), the Company Value (Y) decreases by 0.100 or 10%. This is because the effect of Non-Performing Loans (NPL)

(X1) on Company Value (Y) is negative, so the addition of Non-Performing Loans (NPL) (X1) will reduce Company Value (Y).

Non-performing loans have the opportunity to cause several problems for the company. Bad loans make the company lose the opportunity to earn interest from the loans, thereby reducing profit. In the long term, non-performing loans will undoubtedly cause the company's performance to decline. The greater the NPL in the company, it can cause a decrease in performance and impact the decrease in Company Value. These results support the research of Sari and Priantinah (2018), finding that the results of this study indicate that non-performing loans have a negative and insignificant effect on Company value. Murni. et al. (2016) also found that NPL significantly affected Company value. Srihayati (2015) also states that CAR, NPL, BOPO, LDR, and NIM affect the Company Value.

The Influence of Loan to Deposit Ratio (LDR) (X2) on Company Value (Y)

The results of the t-test analysis in the table above show that the coefficient value of the Loan to Deposit Ratio (LDR) is 0.241, and the probability value is 0.004 with a significance level of 5% ($\alpha = 0.05$). The hypothesis is accepted if the probability value is < 0.05 . The results of the t-test analysis show that the probability value is $0.004 < 0.05$, so it can be concluded that the Loan to Deposit Ratio (LDR) has a significant positive effect on Company Value (Y). With this significant positive effect, it can be interpreted that for every 1% increase or increase in Loan to Deposit Ratio (LDR) (X2), the Company Value (Y) increases by 0.241 or 24.1%. This is because the influence of Loan to Deposit Ratio (LDR) (X2) on Company Value (Y) is positive, so the addition of Loan to Deposit Ratio (LDR) (X2) will reduce Company Value (Y).

So, the high level of performance of a company will usually have an influence on investors in making investment decisions. The existence of investor satisfaction with stock is more actively traded, automatically increasing its liquidity and share price. The increase in stock prices will increase the value of the company. These results follow the findings of Kusuma and Musaroh (2014), analyzing the Effect of Financial Ratios on the Value of Banking Companies. Listed on the Indonesia Stock Exchange, LDR positively affects Company value. Srihayati (2015) found that CAR, NPL, BOPO, LDR, and NIM affect Company value. Furthermore, Murni. et al. (2016) also prove that LDR significantly affects Company value.

The Influence of Return on Assets (ROA) (X3) on Company Value (Y)

The results of the t-test analysis in the table above show that the coefficient of Return on Assets (ROA) is 0.103, and the probability value is 0.000 with a significance level of 5% ($\alpha = 0.05$). The hypothesis is accepted if the probability value is < 0.05 . The results of the t-test analysis show that the probability value is $0.000 < 0.05$, so it can be concluded that Return on Assets (ROA) has a significant positive effect on Company Value (Y). With this significant positive effect, it can be interpreted that for every 1% increase or increase in Return on Assets (ROA) (X3), the Company Value (Y) increases by 0.103 or 10.3%. This is because the effect of Return on Assets (ROA) (X3) on Company Value (Y) is positive, so the addition of Return on Assets (ROA) (X3) will reduce Company Value (Y).

The higher the Return on Assets (ROA), the more investors assess and perceive financial performance in the future. This can increase investor satisfaction. The more satisfied investors are with the stock, the more actively the stock is traded, which automatically increases the share price. The increase in stock prices will increase the value of the company. The results of this study support the research of Anggitasari (2012), which shows that ROA does not have a significant effect on Tobins Q. However, Kusuma and Musaroh (2014) found that ROA, NIM and LDR have a positive effect on

INFRASTRUCTURE COMPANIES ON DAFTAR EFEK SYARIAH THROUGH FINANCIAL PERFORMANCE AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

Company value. Murni. et al. (2016) also found that partially ROA has a positive and significant effect on Company value

The Influence of Capital Adequacy Ratio (CAR) (X4) on Company Value (Y)

The results of the t-test analysis in the table above show that the coefficient of Return on Assets (ROA) is 0.043, and the probability value is 0.001 with a significance level of 5% ($\alpha = 0.05$). The hypothesis is accepted if the probability value is < 0.05 . The results of the t-test analysis show that the probability value is $0.000 < 0.05$, so it can be concluded that the Capital Adequacy Ratio (CAR) has a significant positive effect on Company Value (Y). With this significant positive influence, it can be interpreted that for every 1% increase or increase in Capital Adequacy Ratio (CAR) (X4), the Company Value (Y) increases by 0.043 or 4.3%. This is because the effect of the Capital Adequacy Ratio (CAR) (X4) on Company Value (Y) is positive, so the addition of Capital Adequacy Ratio (CAR) (X4) will reduce Company Value (Y).

Capital adequacy is critical for companies to cover losses from their operational activities. A high CAR value of the company will increase the value of the company through an increasing public trust. In line with previous empirical studies as researched by Srihayati (2015), obtained a simultaneous correlation between banking financial performance consisting of CAR, NPL, BOPO, LDR, and NIM, which affect Company value. Sari and Priantinah (2018) also reveal that the Capital Adequacy Ratio positively affects Company value. Nandasari (2013) generally states that partially, Corporate Social Responsibility and Good Corporate Governance have a positive and significant effect on Company value.

The Influence of Corporate Social Responsibility (CSR) (X5) on Company Value (Y)

The results of the t-test analysis in the table above show that the value of the Corporate Social Responsibility (CSR) coefficient (X5) is 0.011, and the probability value is 0.001 with a significance level of 5% ($\alpha = 0.05$). The hypothesis is accepted if the probability value is < 0.05 . The results of the t-test analysis show that the probability value is $0.013 < 0.05$, so it can be concluded that Corporate Social Responsibility (CSR) has a significant positive effect on Company Value (Y). With this significant positive influence, it can be interpreted that for every 1% increase or increase in Corporate Social Responsibility (CSR) (X5), the Company Value (Y) increases by 0.011 or 1.1%. This is because the influence of Corporate Social Responsibility (CSR) (X5) on Company Value (Y) is positive, so the addition of Corporate Social Responsibility (CSR) (X5) will reduce Company Value (Y).

Following Law Number 40 of 2007, which regulates corporate social responsibility, companies must focus on both financial and social and environmental aspects. Based on the theory of legitimacy, companies must provide disclosures of their social activities that will ensure the company's survival and make it acceptable to society. Corporate Social Responsibility (CSR) is considered to affect Company Value positively. Nandasari (2013) generally states that partially, Corporate Social Responsibility and Good Corporate Governance have a positive and significant effect on Company value. Sari and Priantinah (2018) state that there is an effect of Financial Performance (NPL, LDR, ROA, and CAR) and Corporate Social Responsibility on Company Value.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the research and discussion above, it can be concluded that: the coefficient value of a Non-Performing Loan (NPL) is -0.100, and the probability value is 0.003 with a significance level of 5% ($\alpha = 0.05$). With the probability value of 0.003 < 0.05, it can be concluded that Non-Performing Loans (NPL) have a significant adverse effect on Company Value (Y), so H1 is accepted. Meanwhile, the Loan to Deposit Ratio (LDR) coefficient is 0.241, and the probability value is 0.004 with a significance level of 5% ($\alpha = 0.05$). With the probability value of 0.004 < 0.05, it can be concluded that the Loan to Deposit Ratio (LDR) has a significant positive effect on Company Value (Y), so H2 is accepted.

The coefficient of Return on Assets (ROA) is 0.103, and the probability value is 0.000 with a significance level of 5% ($\alpha = 0.05$). N probability value 0.000 < 0.05, it can be concluded that Return on Assets (ROA) has a significant positive effect on Company Value (Y), so H3 is accepted. Likewise, the coefficient value of the Capital Adequacy Ratio (CAR) is 0.043, and the probability value is 0.001 with a significance level of 5% ($\alpha = 0.05$). With the probability value of 0.000 < 0.05, it can be concluded that the Capital Adequacy Ratio (CAR) has a significant positive effect on Company Value (Y), so H4 is accepted. Similar results on the value of the coefficient of Corporate Social Responsibility (CSR) (X5) is 0.011, and the probability value is 0.001 with a significance level of 5% ($\alpha = 0.05$). With the probability value of 0.013 < 0.05, it can be concluded that Corporate Social Responsibility (CSR) has a significant positive effect on Company Value (Y), so H5 is accepted. Finally, the calculated f value is 18.423, and the significance/probability value is 0.000 with a significance level of 5% ($\alpha = 0.05$). The results of the f test analysis (subtenant) show that the probability value is 0.000 < 0.05, so it can be concluded that the independent variables together have a significant effect on Company value, so H6 is accepted.

This research has limitations; namely, the variables used are still limited. There are many financial variables, but this study only uses Non-Performing Loan (NPL), Loan to Deposit Ratio (LDR), Return on Assets (ROA), Capital Adequacy Ratio (CAR) data, and Corporate Social Responsibility (CSR) data. This research was only conducted on construction companies, which is a limitation because construction companies cannot represent all companies in Indonesia. Further research can add case studies on other types of industries or companies listed on the Indonesia Stock Exchange. Based on the results of the discussion and conclusions, as well as the limitations of the research above, the researcher tries to provide the following suggestions: (1) For the company is expected to further increase Corporate Social Responsibility (CSR) as a form of social responsibility to the surrounding environment; (2) For further researchers, it is recommended to increase the number of censuses used so that the results are more representative of the selected population, and use varied and innovative analytical models; (3) The variables used in future research are expected to be complete and varied by adding other independent variables, either measures or other types of company financial performance, as well as non-financial variables such as macro-economic conditions.

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