THE ROLE OF *CORPORATE SOCIAL RESPONSBILITY* IN MODERATING THE EFFECT OF PROFITABILITY AND *FIRM SIZE* ON FIRM VALUE
(Case Study on Infrastructure, Utility, and Transportation Sector Service Companies Listed on the Indonesia Stock Exchange 2016-2019)

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Abstract *– This study aims to determine the Role of Corporate Social Responsibility in Moderating the Effect of Profitability and Firm Size on Firm Value in infrastructure, utility, and transportation sector service companies listed on the Indonesia Stock Exchange (IDX). This type of research is associative with a quantitative approach, which is measured using multiple linear regression analysis methods and Moderate Regression Analysis (MRA) with the help of Software Evies 10. The population in this study are infrastructure, utility, and transportation service companies listed on the Indonesia Stock Exchange for the 2016-2019 period. The sample is determined using the method purposive sampling with a sample size of 7 companies so that the total observations in this study were 28 observation data. The data used in his research is secondary data, the annual report that is downloaded via the official website IDX : www.idx.co.id. The resuls of this study indicate that profitability and firm size have an influenceon firm value, while Corporate Social Responsibility is unable to moderate the relationship netween profitability and firm size on firm value.*

Keywords : Profitabilitas, Firm Size, Firm Value, Corporate Social Responsibility

I. INTRODUCTION

The company, in the long run, always strives to maintain its business excellence to increase company value. The company's goal in optimizing company value can be achieved through the implementation of financial management functions, one of which is that financial decisions taken by management can influence other financial decisions that will have an impact on company value. According to Wiagustini (2010), company value is the price a prospective buyer is willing to pay if the company is to be sold. The higher the value obtained by the company, the greater the prosperity that the company owner will receive. The good and bad value of a company can be described in the condition of the company itself, so that the company value can also be used as a reference for potential investors in making decisions to invest.

In 2019, PT Indo Farma Tbk. recorded a net loss of up to IDR 38.84 billion in the third quarter of 2019 . This loss was caused by the decline in the company's sales business. The decline in the company's sales also affects the decrease in the company's assets (alinea.id/bisnis). In that case, a decrease in sales which results in a lower profit or profit will result in a decrease in firm value. A decrease in net income can have a negative impact on the company and investors, because it can indicate that the company is not able to operate optimally and that future prospects will also be considered bad.

Profitability is one of the performance indicators carried out by company management in processing and managing the company's assets in the form of profits generated by the company. Profitability can be determined by comparing the profit earned within a certain period of time with the amount of capital or assets of the company which is expressed in a percentage (Sartono, 2010). According to Maher *et. al*. (2008) profitability is a measure of a company's ability to generate income relative to its company's earnings. Profitability can be measured by various ratios. The ratio produces something in the form of numbers when one number divides another number. Research conducted by Dewa & Utaminingsih (2014), Febriana (2016), Novari & Lestari (2016), Pramana & Mustanda (2016), Suwardika & Mustanda (2017), Beureukat (2017), and Raningsih & Artini (2018) resulted in that profitability affects firm value. This means that a very good company prospect can increase the demand for shares by investors. However, according to Wulandari & Wiksuana (2017) profitability does not have a significant effect on firm value.

Apart from profitability, another factor, one of which is the size of the company (*firm size*), is also considered capable of influencing firm value. The larger the size or scale of the company, the easier it will be for the company to obtain funding sources, both internal and external. In this case, the size of the company is seen from the total assets owned by the company and can be used for company operations. In this study, company size is proxied by *SIZE*. Rachmawati & Pinem (2015), Febriana (2016), Rudangga & Sudiarta (2016), and Novari & Lestari (2016) show that company size affects firm value. This means that increasing company size will make it easier for companies to obtain funding. Meanwhile, according to Denziana & Monica (2016), Suwardika & Mustanda (2017) show that company size has no effect on firm value.

Research conducted by previous researchers shows different results, which may be due to other factors that are involved in influencing the relationship between profitability and firm size on firm value. For this reason, a facility is needed that can provide information on corporate responsibility, such as those tied to the *triple bottom lines*, namely corporate responsibility from financial, environmental and social aspects. Therefore, *Corporate Social Responsibility* (CSR) in this study is used as a moderating variable for the relationship between profitability and firm size on firm value. According to Gherghina & Vintila (2016) CSR has a very broad relationship between companies and various stakeholders and their environment. The disclosure of social responsibility is expected to influence investors' decisions for making investment decisions. The regulations regarding CSR are regulated in Law No. 25 of 2007 which regulates Investment, and Law No. 40 of 2007 concerning Limited Liability Companies.

The role of CSR in moderating profitability on firm value is shown through the results of research conducted by Bulan & Astika (2014), Pramana & Mustanda (2016), and Beureukat (2018) which show that profitability has a positive effect on firm value, and CSR disclosure as a moderating variable proven to have a positive effect on profitability and firm value. Companies that can increase their profitability can also increase the value of a company. However, a high level of profitability does not always guarantee the increasing value of a company. Companies that care about their environment are considered to pay more attention to the prospects for the company's future performance, so investors are considered positive. Different results obtained by Dewa & Utaminingsih (2014), Hermawan & Maf'ulah (2014), Raningsih & Artini (2018), and Itsnaini & Subardjo (2017) which show results where CSR is unable to moderate the effect of profitability on firm value.

The role of CSR moderation on the effect of firm size on firm value is explained by the results of research conducted by Imron *et al.* (2013) CSR is able to moderate the effect of firm size on firm value. However, according to Pramana & Mustanda (2016) and Wulandari & Wiksuana (2017) CSR is unable to moderate the effect of company size on firm value.

II. THEORETICAL BASIS AND HYPOTESIS DEVELOPMENT

2.1 Theoretical Basis

2.1.1 Profitability

The profitability ratio is a measure of the success rate and failure rate of a particular company or division to generate sufficient income to cover its operating costs and provide returns to its owners (Kieso *et al.*,2014) . According to Warren *et al.*,(2009) profitability analysis focuses mainly on the relationship between operating results and available resources. According to Weygandt *et al.*,(2015) the profitability ratio is a measure of the income or success of a company's operations within a certain period of time. There are many types of ratios in the profitability ratio, namely:

a) *Return on Assets* (ROA) is a type of ratio in the profitability ratio that measures a company by using all assets owned by the company in generating profit after tax.
b) *Return on Equity* (ROE) is a type of ratio in the profitability ratio that measures the ability of a company's capital to generate profit before tax and interest with sales that the company has achieved in a certain period of time.
c) *Net Profit Margin* (NPM) is a type of ratio in the profitability ratio that measures the level of the company's ability to generate net profit from the total sales made by the company in a certain period of time.
d) *Operating Profit Margin* (OPM) is a type of ratio in the profitability ratio that measures the level of ability a company has in generating operating profit, namely the profit obtained before interest expense and tax expense are compared to total sales obtained by the company in a period of time. certain.
e) *Gross Profit Margin* (GPM) is a type of ratio in the profitability ratio that measures the level of a company's ability to generate *gross profit* with the total sales the company has made in a certain period of time.

Harahap (2013) states that profitability ratios have a very high quality, namely: Ratios are rows of numbers that are easier to read and interpret; This ratio is a simple substitute for the overall information that has been presented in the financial statements; Can find out the position of finance in the industrial scope; Useful in making decisions; Standardize the size of a company; In comparing with other companies it is very easy; Easy to make predictions in the future.

2.1.2 Firm Size

According to Brigham & Houston (2010) company size is the size or scale of a company as seen from the total assets of the company at the end of a certain period owned by the company. Companies that are included in the *well established* category tend to be companies of large scale or size. These companies will find it easier to obtain capital in the capital market, when compared to companies with a small or large scale it will be very difficult to obtain capital in the capital market (Sartono, 2010).

Usually the size of the company is divided into three (3) types or categories, namely small-scale companies *(small firms),* medium-scale companies *(medium firms),* and large-scale companies *(large firms).* Companies with a large scale are usually more noticed and better known by the community. Usually this company will have a tendency to maintain the stability and condition of the company, as well as to maintain and improve the company's performance. To determine the size of a company is to use *the natural log* of total assets.

2.1.3 Firm Value

The description of a company's condition, good or bad company management in managing the company's assets, which can be seen from the good level of financial performance measurement obtained by the company, is a reflection of the company's value. Firm value is an investor's point of view of the high achievement of company success which is always associated with stock prices. The high company value will be able to increase the high level of trust of investors in the future . According to Keown *et al.* (2011), the value of a company does not only depend on the company's ability to generate cash flow, but also depends on the operational and financial characteristics of the company.

2.1.4 *Corporate Social Responsibility*

In Indonesia, *Corporate Social Responsibility* (CSR) is regulated in government regulations in article 74 of Law No. 40 of 2007 concerning Limited Liability Companies where paragraph 1 reads *"Companies that carry out their business activities in the fields and/or related to natural resources, are obliged to carry out Social and Environmental Responsibility"*. The scope of CSR includes *Basic Responsibility; Organizational Responsibility;* and *Social Responsibility*.

The practice of CSR disclosure is regulated by the Indonesian Accounting Association (IAI) in the Statement of Financial Accounting Standards (PSAK) No.1 Paragraph 9 which explains that *"Companies can present additional reports in financial reports such as reports on the environment and reports on value added (value added statements), especially for industrial companies because environmental factors play an important role, and consider employees as a group of report users who play an important role. "*

2.2 Hypothesis Development

2.2.1 Profitability to Firm Value

Companies that have a high profitability ratio will easily attract investors to invest. The high level of profit generated means that the prospect of the company in carrying out its operational activities in the future is very high, so that the company's value as reflected in the company's stock price will increase.

This is in line with research conducted by Novari & Lestari (2016), Suwardika & Mustanda (2017), Denziana & Monica (2016), and those who obtained the results of the analysis that profitability had a positive and significant effect on firm value. Based on the descriptions and results of various previous studies, the hypotheses that can be proposed in this study are:

H_1: Profitability has a significant and significant effect on Firm Value

2.2.2 Firm Size to Firm Value

Firm size can increase company value. The increase in demand for a company's shares is due to an increase in the company's share price in the capital market which results in an increase in the value of a company.

According to Rachmawati & Pinem (2015), Rudangga & Sudiarta (2016), and Novari & Lestari (2016) it shows that company size has a positive and significant effect on firm value. Based on the descriptions and results of the various studies that have been carried out, the hypotheses that can be proposed in this study are:

H $_2$: Firm Size has a significant and significant effect on Firm Value

2.2.3 *Corporate Social Responsibility* in Profitability on Firm Value

The ability of the company to provide high expectations of future value can cause the company to be highly valued by the community. In this study, it is expected that CSR can influence the relationship between profitability and firm value. Companies with a high level of profitability will always try to increase the disclosure of social activities that have been carried out by the company in an effort to convince investors.

According to Bulan & Astika (2014) and Pramana & Mustanda (2016) CSR has a positive effect and is able to moderate the effect of profitability on firm value. Based on this description, the hypotheses that can be proposed in this study are:

H $_3$: *Corporate Social Responsibility* can moderate the influence of Profitability on Firm Value

2.2.4 *Corporate Social Responsibility* in Firm Size to Firm Value

Companies with a large scale that have higher agency costs will seek to disclose broader information in order to reduce agency costs, including the Company's CSR. The larger the company size, the greater the corporate social responsibility. CSR has an effect on the assessment of potential investors. When companies carry out CSR as a form of social responsibility, the sustainability of the company will be better maintained and investors will be more interested in investing.

This is in line with Imron et al., (2013) , that CSR is able to strengthen a positive relationship between company size and firm value. Based on this description, the hypotheses that can be proposed in this study are:

H $_4$: *Corporate Social Responsibility* can moderate the influence of Firm Size on Firm Value

2.3 Conceptual Framework

Based on the theory previously described, the researcher determines a framework in accordance with this theory, namely:

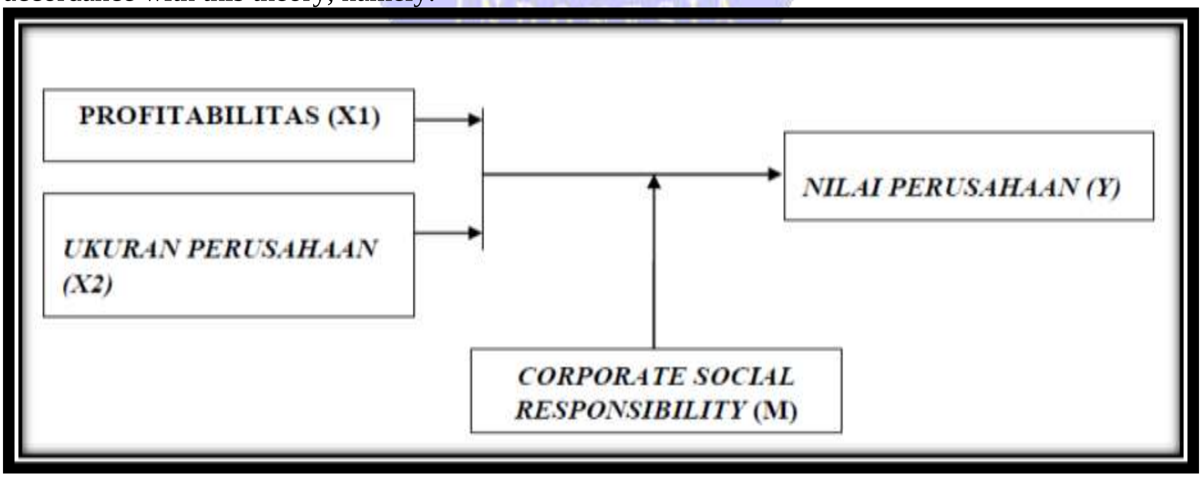

Image 2.1 Conceptual Framework

III. RESEARCH METHODS

3.1 Research Strategy

According to Sugiyono (2017), the method used to obtain data from certain places is natural or non-artificial, but research carries out data collection. In this study, the authors conducted secondary research on infrastructure, utility, and transportation service companies listed on the Indonesia Stock Exchange. The data obtained will then be analyzed using *Moderated Regression Analysis* (MRA) techniques . *Moderated Regression Analysis* (MRA) is a regression analysis that uses an analytical approach that maintains sample integrity and provides a basis for controlling the influence of moderating variables.

3.2 Population and Sample

The population used in this study are service companies from the infrastructure, utility and transportation sectors listed on the Indonesia Stock Exchange (IDX) for the 2016-2019 period . The sample is part of the number and characteristics of the population (Sugiyono, 2017). In this study, sampling was carried out using a *purposive sampling* approach . The *purposive sampling* approach is an approach that takes samples with certain criteria. The criteria set are as follows:

a. Infrastructure, utility and transportation sector service companies listed on the Indonesia Stock Exchange (IDX) in 2016-2019;
b. Infrastructure, utility and transportation sector service companies that publish annual financial reports on the IDX in a complete and consistent manner;
c. Infrastructure, utility and transportation sector service companies that did not experience losses during the 2016-2019 period;
d. Infrastructure, utility, and transportation sector service companies that publish reports on CSR activities or *sustainability reports* in a complete and consistent manner during the 2016-2019 period;
e. Infrastructure, utility and transportation sector service companies that have complete data related to the variables needed and used in this study.

Based on predetermined criteria, a sample of 7 service companies in the infrastructure, utility and transportation sectors was obtained in this study for 4 years. So that the total samples used were 28 companies. Several companies were eliminated because they did not comply with predetermined criteria.

3.3 Data and Data Collection Methods

The type of data used in this study is secondary data . The data in this study were obtained from audited annual reports that have been published in the 2016-2019 period. The data collection method used by researchers in this study can be used with a literature review, as well as accessing sites or *webs* related to research variables.

IV. RESULTS AND DISCUSSION

4.1 Descriptive Statistics

Tabel 4.1 Hasil Statistik Deskriptif

	TOBIN_Q	ROA	SIZE	CSR
Mean	2.183571	0.050954	21.78150	0.346150
Median	2.001500	0.042000	20.60170	0.368150
Maximum	4.951500	0.113800	29.68010	0.571400
Minimum	0.908700	0.012300	14.99910	0.087900
Std. Dev.	1.049381	0.031020	4.903243	0.181087
Observations	28	28	28	28

Source : Data processed with Eviews 10, 2020

Based on the data in Table 4.3, there are mean, median, maximum, minimum, standard deviation and total observations for each variable. In this study, the total sample size of the observations was 28 from 7 service companies in the infrastructure, utility and transportation sectors listed on the Indonesia Stock Exchange (IDX) for the 2016-2019 period. The dependent variable used in this study is firm value which is proxied by Tobin's Q. The independent variable in this study is profitability which is proxied by ROA, and *firm size* which is proxied by SIZE. The variable of moderation in this study is *Corporate Social Responsibility* (CSR).

The statistical test results for the maximum firm value are owned by Rukun Raharja Tbk . in 2018, while the minimum company value is owned by PT PP Presisi Tbk. 2019. The standard deviation value of firm value data *(Tobin's* Q) is 1.049381, smaller than the average value, namely 2.183571. This can indicate that the distribution of data for the firm value variable in this study is quite evenly distributed so that it has differences that are not too big or small in other variables.

The results of statistical tests for profitability which are proxied by the maximum *Return on Assets* (ROA) are owned by Sarana Menara Nusantara Tbk. 2016, while the minimum ROA is owned by PT Temas Tbk. in 2018. The standard deviation value of ROA is 0.031020 which is smaller than the average value, which is 0.050954. This can indicate that the distribution of data for the profitability variable which is proxied by *Return on Assets* (ROA) in this study is quite evenly distributed so that it has differences that are not too big or small in other variables.

The result of statistical test for *firm size* which is proxied by the maximum SIZE is owned by PT PP Presisi Tbk. in 2019, while the minimum SIZE is owned by PT Temas Tbk. in 2019. The SIZE standard deviation value is 4.903243 which is smaller than the average value, namely 21.78150. This can indicate that the distribution of data for the *firm size* variable as proxied by SIZE in this study is quite evenly distributed so that it has differences that are not too large or small in other variables.

The statistical test results for the maximum *Corporate Social Responsibility* (CSR) are owned by PT Gas Negara Tbk. and PT PP Presisi Tbk. in 2017 and 2019, while the minimum CSR is owned by Sarana Menara Nusantara Tbk. 2016-2019 . The SIZE standard deviation value is 0.181087 which is smaller than the average value of 0.346150 . This shows that the distribution of data for the *Corporate Social Responsibility* (CSR) variable in this study is quite evenly distributed so that it has differences that are not too big or small in other variables.

4.2 Panel Data Regression Model

To determine the model in this study, several model tests are needed, there are 3 stages of the model used, *namely the Common Effect Model* (CEM), *Fixed Effect Model* (FEM), and *Random Effect Model* (REM).

4.2.1 *Common Effect Model* (CEM)

This method combines *time series* and *cross section* data then regressed using the *Eviews* program, which can be seen in the following table:

Tabel 4.2 Result Regression *Common Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.167381	0.742268	4.267168	0.0002
ROA	18.15830	4.590322	3.955779	0.0006
SIZE	-0.087645	0.029040	-3.018044	0.0058

Source : Data processed with Eviews 10, 2020

Equation models using the *common effect model* method based on the above results can be formulated:

$$\mathbf{Q = \alpha + \beta_1 ROA + \beta_2 SIZE + e_i}$$

$$\textbf{\textit{Tobin\_Q = 3.167381 + 18.15830 ROA – 0.087645 SIZE}}$$

4.2.2 *Fixed Effect Model* (FEM)

The *Fixed Effect* Model assumes that the regression coefficient remains between companies and over time. The calculation results can be seen in the following table :

Tabel 4.3 Results Regression *Fixed Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.011391	1.098493	1.831045	0.0828
ROA	11.46196	6.285483	1.823561	0.0840
SIZE	-0.018908	0.049570	-0.381439	0.7071

Source : Data processed with Eviews 10, 2020

Equation model using the *fixed effect model* method based on the results above, it can be formulated:

$$\mathbf{Q = \alpha + \beta_1 ROA + \beta_2 SIZE + e_i}$$

$$\textbf{\textit{Tobin\_Q = 2.011391 + 11.46196 ROA – 0.018908 SIZE}}$$

4.2.3 *Random Effect Model* (REM)

This model is a method that will estimate panel data where the disturbance variables may be interrelated over time and individually. The results per calculation can be seen in the following table:

Tabel 4.4 Results Regression *Random Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.978940	0.805785	3.696943	0.0011
ROA	16.74318	4.848240	3.453455	0.0020
SIZE	-0.075683	0.032450	-2.332276	0.0280

Source : Data processed with Eviews 10, 202

Equation models using the *random effect model* method based on the above results can be formulated:

$$\mathbf{Q = \alpha + \beta_1 ROA + \beta_2 SIZE + e_i}$$

$$\textbf{\textit{Tobin\_Q = 2.978940 + 16.74318 ROA – 0.075683 SIZE}}$$

4.3 Pemilihan Model Regresi Data Panel

4.3.1 *Chow Test*

The test used is to have the best approach between the *Common Effect Model* (CEM) and the *Fixed Effect Model* (FEM).

Tabel 4.5 *Chow Test* Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.956759	(6,19)	0.1232
Cross-section Chi-square	13.472028	6	0.0361

Source : Data processed with Eviews 10, 2020

Based on the results above, the *cross sectional* probability value *F is* 0.1232> 0.05. So that H_0 is accepted H_1 is rejected, then the model used is the *common effect model* (CEM).

4.3.2 *Hausman Test*

The test used is to have the best approach between the *Fixed Effect Model* (FEM) and the *Random Effect Model* (REM).

Tabel 4.6 *Hausman Test* Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.891924	2	0.2355

Source : Data processed with Eviews 10, 2020

Based on the above results, the probability *of random cross-section is* 0.2355> 0.05. So that H_0 is accepted H_1 is rejected, then the model used is the *random effect model* (REM).

4.3.3 *Langrange Multiplier Test*

This test is used to select the best approach model between the *Common Effect Model* (CEM) and the *Random Effect Model* (REM).

Tabel 4.7 *Langrange Multiplier Test* Results

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis Cross-section	Time	Both
Breusch-Pagan	0.131592 (0.7168)	0.542262 (0.4615)	0.673854 (0.4117)

Source : Data processd with Eviews 10, 2020

Based on the above results, the *cross-section* probability value of *Breusch-Pagan is* 0.7168> 0.05. So that H_0 is accepted H_1 is rejected, then the model used is the *common effect model* (CEM).

4.4. Hypothesis Testing

4.4.1 *Moderated Regeression Analysis* (MRA)

A test that is carried out by one or more independent variables that affect one dependent variable and has a moderating variable as a condition for an influence that will strengthen or weaken this is the *moderated regression analysis* (MRA) test .

Tabel 4.8 MRA Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.878818	1.809485	1.038316	0.3104
ROA	22.51257	9.145455	2.461612	0.0221
SIZE	-0.051555	0.076473	-0.674162	0.5072

CSR	4.503064	5.085278	0.885510	0.3855
CSR_ROA	-4.175906	32.25710	-0.129457	0.8982
CSR_SIZE	-0.152669	0.212853	-0.717253	0.4808

Source : Data processed with Eviews 10, 2020

The equation model with the *moderated regression analysis* (MRA) test is :

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_3 + \beta_4 X_2 X_3 + e_i}$$

Tobin_Q = 1.878818 + 22.51257 ROA – 0.051555 SIZE + 4.503064 CSR – 4.175906 CSR_ROA – 0.152669 CSR_SIZE

4.4.2 *t* Statistical Test Results

To find out the *t-* table at a significant level of 0.05, a *degree of freedom* (df) = *nk*- 1 is needed, where *n* is the total number of observations, *k* is the number of independent and dependent variables, so df = 28-3-1 = 24. So, the *t-* table obtained is 1.71088. The following shows the results of the *t* statistical test :

Tabel 4.9 *t* Statistical Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.167381	0.742268	4.267168	0.0002
ROA	18.15830	4.590322	3.955779	0.0006
SIZE	-0.087645	0.029040	-3.018044	0.0058

Source : Data processed with Eviews 10, 2020

Based on the above results, the probability value of profitability as proxied by *Return on Assets* (ROA) is 0.0006 < 0.05, with a *t-* statistic value of 3.955779 > 1.71088, then H_1 which states that profitability proxied by ROA has a positive effect on firm value is **accepted .** The result of H_1 is that profitability, which is proxied by ROA, **affects** firm value. The probability value of *firm size* as proxied by SIZE is 0.0058 < 0.05, with a *t-* statistic value of 3.018044 > 1.71088, then H_2 which states that *firm size* proxied by SIZE has a positive effect on **accepted** firm value**.** Results of H_2 is the size of the company *(firm size)* that is proxied by SIZE **effect** on firm value. The results of the moderated regression analysis are as follows:

Tabel 4.10 MRA Analysis Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.878818	1.809485	1.038316	0.3104
ROA	22.51257	9.145455	2.461612	0.0221
SIZE	-0.051555	0.076473	-0.674162	0.5072
CSR	4.503064	5.085278	0.885510	0.3855
CSR_ROA	-4.175906	32.25710	-0.129457	0.8982
CSR_SIZE	-0.152669	0.212853	-0.717253	0.4808

Source : Data processed with Eviews 10, 2020

The probability value of *Corporate Social Responsibility* (CSR) is 0.8982 > 0.05, with a *t-* statistic value of 0.129457 < 1.71088, then H_3 which states that *Corporate Social Responsibility* (CSR) can moderate the effect of profitability on firm value is **rejected.** The result of H_3 is that *Corporate Social Responsibility* (CSR) **cannot moderate the** effect of profitability on firm value. The probability value of *Corporate Social Responsibility* (CSR) is 0.4808 > 0.05, with a *t*- statistic value of 0.71253 < 1.71088, then H_4 which states that *Corporate Social Responsibility* (CSR) can moderate the effect of *firm size* on firm value is **rejected.** Results of H_4 is *Corporate Social Responsibility* (CSR) **can not moderate** the effect of the size of the company (*firm size*) to the value of the company.

4.4.3 Simultaneous Significant Test (*F* Test)

Tabel 4.11 *F* Test Results

Information	Results	Ratio	The final results
F-table	**3.008787**	F-table < F-statistics	Significant
F-statistics	**16.68127**		
Probability F-statistics	**0.000025**	Probability F-statistics < 0.05	Significant
α	0.05		

Source : Data processed with Eviews 10 reprocessed, 2020

To find out F table at a significance level of 0.05, a *degree of freedom* (df) = *nk* -1 is needed, where *n* is the total number of observations, *k* is the number of independent and dependent variables, so df = 28-3-1 = 24 Then the F-table can be determined using *Ms.* application software . *Excel* with the *Insert Function* formula as follows:

F-table = FINV (*probability; degree_freedom1; degree_freedom2)*
F-table = FINV (0.05; 3; 24)
F-table = 3.008787

Based on the results of the table above, it is found that the value of F-table <F-statistic is 3.008787 <16.68127 with a probability value of F-statistic of 0.000025 which is smaller than the significant value of 0.05, which means that the independent variable is profitability which is proxied by *return on assets* (ROA) and *firm size* as proxied by SIZE both **affect** the dependent variable, namely firm value as proxied by Tobin's Q.

4.4.4 Coeffiecient Determination (R^2)

Tabel 4.12 Coeffiecient Determination (R^2) Test results

R-squared	0.571643	Mean dependent var	2.183571
Adjusted R-squared	0.537374	S.D. dependent var	1.049381
S.E. of regression	0.713753	Akaike info criterion	2.264398
Sum squared resid	12.73609	Schwarz criterion	2.407134
Log likelihood	-28.70157	Hannan-Quinn criter.	2.308034
F-statistic	16.68127	Durbin-Watson stat	1.676032
Prob(F-statistic)	0.000025		

Source : Data processed with Eviews 10, 2020

Based on the results above, it is known that the *Adjusted R-square value is* 0.537374. This shows that the proportion of the influence of the independent variable, namely profitability, is proxied by *return on assets* (ROA) and *firm size* as proxied by SIZE on the dependent variable, namely the firm value of 53.73% while the remaining 42.67% is influenced by other variables not in regression model.

4.6 DISCUSSION OF RESEARCH RESULTS

4.6.1 Effect of Profatibility on Firm Value

Based on the results of the significant partial test that has been carried out, the results show that the independent variable, namely profitability, which is proxied by *return on assets* (ROA), has a probability value of 0.0221 which is smaller than the significant value of 0.05, which means that the independent variable is profitability which is proxied by *return on assets.* (ROA) has an influence on firm value. If the profitability of a company increases, then the value of the company will also increase, it can be assumed that other variables are considered constant.

Profitability according to Weygandt *et al.*, (2015), which is a measure of income or a company's success in carrying out operations within its company for a certain period of time. The high profitability value obtained by the company reflects the greater profits the company has and the company's success rate in carrying out its operating activities, this can affect the company's ability to issue dividends to shareholders, and can also affect the increase in company value.

Companies that have a high profitability ratio can easily attract investors to invest. Companies that generate high profits, have a high chance of the company in carrying out its company's operations, later the company's value will increase, as seen from the increase in share prices.

The results of this study are supported by research conducted by Raningsih & Artini (2018) and Priyadi (2018) which results that profitability, which is proxied by *return on assets* (ROA), has an effect on firm value. In addition, Beureukat (2018) also stated that profitability, which is proxied by *return on assets* (ROA), has an effect on firm value.

4.6.2 Effect of Firm Size on Firm Value

Based on the results of the significant partial test that has been carried out, the results show that the independent variable, namely *firm size*, which is proxied by SIZE, has a profitability value of 0.0058 which is smaller than the significant value of 0.05, which means that the independent variable company size proxied by SIZE has an effect. the dependent variable, namely firm value. If the size of the company has increased, the value of the company will also increase, if it is assumed that other variables are considered constant.

Company size is a big picture of the company that can be assessed through the total assets of the company (Brigham & Houston, 2010) . The larger the size or scale of the company will make it easier for the company to obtain sources of funds both from outside and within the company. Large companies usually attract the interest and attention of external parties, so that the company is encouraged to apply good corporate management mechanisms and structures. Large companies usually have greater financial strength in supporting the company's performance, so that they can also increase their company value.

A large company size states that the growth experienced by the company is productive. Companies that have large growth will find it easier to enter the capital market, making it easy to find investors for the company. The increased company value can be seen from the total assets of the company that have increased.

The results of this study are supported by research conducted by Wulandari & Wiksuana (2017), resulting in the results that company size affects firm value. The same thing was done by Pramana & Mustanda (2016), stating that company size has an effect on firm value.

4.6.3 The role of *Corporate Social Responsibility* (CSR) in moderating the Effect of Profatibility to Firm Value

Based on the results of the significant partial test that has been carried out, the results show that the moderating variable (csr_roa) has a profitability value of 0.8982, which is greater than the significant value of 0.05, which means that the moderating variable (csr_roa) is unable to moderate the effect of profitability on firm value.

Although the company has disclosed aspects of its *Corporate Social Responsibility* (CSR), it is unable to moderate the effect of profitability on firm value in the eyes of investors. This means that the amount of profitability that is owned by the company is not able to influence the disclosure of the company's *Corporate Social Responsibility* (CSR), because the profit earned and owned by the company is prioritized for the company's operations. Companies that have a large profitability value do not necessarily carry out many of their corporate social activities.

The *Corporate Social Responsibility* (CSR) policy in Indonesia is a mandatory activity that companies must undertake and is not a voluntary activity, because *Corporate Social Responsibility* (CSR) has been regulated in the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies. Article 74 paragraph (1) of the Limited Liability Company Law, namely, *"Companies that carry out their business activities in the sector and / or related to natural resources are required to carry out Social and Environmental Responsibility"*.

Companies do not have to wait to get high profitability to run and report on their corporate social activities.

The results of this study are supported by research conducted by Dewa & Utaminingsih (2014) which states that *Corporate Social Responsibility* (CSR) is unable to moderate the effect of profitability on firm value.

4.6.4. The role *Corporate Social Responsibility* (CSR) in moderating The Effect of Firm Size to Firm Value

Based on the results of the significant partial test that has been carried out, the results show that the moderating variable (csr_size) has a profitability value of 0.4808 which is greater than the significant value of 0.05, which means that the moderating variable (csr_size) is not able to moderate the effect of *firm size* on value. company.

Although companies have disclosed aspects of *Corporate Social Responsibility* (CSR), this has not been able to moderate the effect of *firm size* on firm value. This is because in its implementation, *Corporate Social Responsibility* (CSR) is not a function that is directly related to company size (*firm size)*. Large companies are not necessarily big in carrying out their *Corporate Social Responsibility* (CSR) activities.

Corporate Social Responsibility (CSR) so that its implementation is effective, it should communicate well and be adjusted to the size of the company. Companies that have a small scale would be better off focusing on communicating about their CSR activities. Companies that have a large scale would be better off continuing to improve and maintain their CSR activities that have been going well. In addition, there is information about investors who do not need to see the disclosure of *Corporate Social Responsibility* (CSR) that has been carried out by companies to have the guarantees listed in Law No. 40 of 2007 regarding Limited Liability Companies which regulates each company in carrying out CSR activities.

The results of this study are also supported by research conducted by Wulandari & Wiksuana (2017) which states that *Corporate Social Responsibility* (CSR) is unable to moderate the effect of *firm size* on company value.

V. CONCLUSION AND SUGGESTION

5.1. Conclusion

This study aims to examine and analyze the role of *Corporate Social Responsibility* (CSR) in moderating the influence of profitability and *firm size* on firm value in infrastructure, transportation, and utility sector service companies listed on the Indonesia Stock Exchange (IDX) during the period. 2016-2019. Based on the data that has been collected and then processed, the researcher obtained the results of tests carried out using a panel data regression model by processing a sample of 7 companies with 28 data that have been determined based on the criteria, it can be concluded:

1. Profitability, which is proxied by *return on assets* (ROA), has an effect on firm value. Companies that have a high profitability value reflect success in gaining profits and carrying out their operations. This is able to influence the increase in company value.

2. The size of the company *(Firm Size)* proxied by *Size* effect on firm value. The larger the size of the company, the easier it is for the company to obtain sources of funds from outside and within the company. Large companies usually have greater financial strength, so that they can increase the value of the company.
3. *Corporate Social Responsibility* (CSR) is not able to moderate the effect of profitability on firm value. The *Corporate Social Responsibility* (CSR) policy in Indonesia is a mandatory activity that companies must undertake. Companies that have a large profitability value do not necessarily carry out their corporate social activities well. Companies do not have to wait for high profitability to run and report on their corporate social activities.
4. *Corporate Social Responsibility* (CSR) is not able to influence the influence of firm *size* on firm value. *Corporate Social Responsibility* (CSR) in its implementation is not a function that is directly related to company size *(Firm Size).* Large companies certainly carry out their company social activities well.

5.2. Suggestion

Based on the above conclusions, the authors provide the following suggestions:

1. Companies are expected to pay attention to profitability and total assets where total assets are used to calculate company size because they are able to have an influence on firm value.
2. Companies must carry out *Corporate Social Responsibility* (CSR) activities in accordance with applicable laws regardless of any profit or profit to be obtained.
3. The activities *of corporate social responsibility* (CSR) is not just run by large companies, but the whole company is obliged to carry out such activities as the law which has been arranged.

5.3. Research Limitations and Research Development

5.3.1 Research Limitations

Based on the results of research that has been done, this study has limitations including:

1. The researcher only uses two dependent variables and one variable is used as moderation.
2. This study only uses service companies that are included in the category of infrastructure, utility and transportation sectors in the 2016-2019 period.

5.3.2 Research Development

Based on the limitations of the research above, it is expected that there will be further research development, namely using research objects in other sector service companies that have been listed on the Indonesia Stock Exchange (IDX), adding to the research period so that it can be used as a comparison of research observations, using other *sampling* techniques so that produce a larger sample, and add other variables that can affect firm value.

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