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Does Corporate Social Responsibility Enhance the Impact of Financial Performance On Firm Value?

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ABSTRACT: This study aims to determine the effect of financial performance as measured by return on asset (ROA), return on equity (ROE), and debt to assets ratio (DAR) on firm value as measured by price to book value (PBV) with corporate social responsibility (CSR) as a moderation variable. The data used is secondary data with a quantitative approach, where the population of food and beverage sector companies listed on the IDX is 73 companies. Using purposive sampling techniques, there were 17 companies that met the criteria, so there were 34 samples in this study. The hypothesis testing method used is multiple regression analysis and moderated regression analysis with the help of IBM SPSS 25. The results of this study show that Corporate Social Responsibility (CSR) is able to strengthen the influence of Return on Asset (ROA) and Return on Equity (ROE) on Price to Book Value (PBV), and Corporate Social Responsibility (CSR) does not influence Debt to Assets Ratio (DAR) on Price to Book Value (PBV). Overall, these results show that the tendency of investors in determining the purchase of shares in the food and beverage sector on the Indonesian stock exchange is more influenced by ratios that are directly related to the returns that will be received by investors and ratios related to profit receipts compared to ratios that are not directly related to returns and profit receipts such as debt ratio or profitability.

KEYWORDS: Return On Assets, Return on Equity, Debt To Asset Ratio, Price to Book Value, Corporate Social Responsibility.

INTRODUCTION

Food and beverage production is one of the largest and most vital economic sectors globally. The sector's contribution to Gross Domestic Product (GDP) and global employment is significant, and it plays a key role in driving economic progress (World Economic Forum, 2021:2).

Based on data from the Ministry of Industry of the Republic of Indonesia, in 2022, the food and beverage industry contributed 37.77% of the GDP of the non- oil and gas processing industry. In the first quarter of 2022, investment realization for the food and beverage industry sector reached IDR 19.17 trillion. Of this amount, IDR9.34 trillion came from Domestic Investment and USD684.98 million came from Foreign Investment. In the second quarter of 2022, the food and beverage subsector managed to achieve the largest contribution to the GDP of the industrial sector, reaching IDR302.28 trillion. This figure shows that the food and beverage production sector is a very important sector for the Indonesian economy. The food and beverage industry is characterized by high levels of competition, volatile demand, and complex supply chains. Therefore, companies in this industry must have strong financial performance in order to be successful (Cooper, Ferris, & Staten, 2020: 12). In the face of increasingly strong rivalry in the food and beverage market, companies must improve their financial performance so that their company value increases and can survive and compete in an increasingly competitive market (Ketchen, D. J., Jr., 2021: 5). Increasing consumer awareness of health and the environment makes companies invest in research and development to develop healthier and more sustainable products, this investment can improve the company's financial performance (Tzokas, M. S., 2022: 12). Technological developments have changed the way consumers buy and consume food and beverages. Companies must adapt to these changes to ensure consumer satisfaction, which can affect the company's financial performance (Bell, D., 2023:13).

Based on a summary of some of the quotes above, it can be concluded that in an effort to meet the increasingly complex and diverse market needs, companies in this sector are not only expected to achieve strong financial performance to maintain competitiveness and sustainable growth, but also increasingly recognize the importance of Corporate Social

Responsibility (CSR) in maintaining reputation, sustainability, and good impact on society and environmental sustainability of the activities they carry out. Corporate Social Responsibility is the implementation of a company's social obligations to society. CSR is a strategy that can be utilized by companies to improve their image and value. (Carroll, C. B., Leong, A. K., & Buchholtz, D. A., 2020). CSR can be a powerful tool to build trust and credibility with stakeholders, which can improve financial performance (Waddock, M. A., & Graves, S. B., 2019). Considering the above context, it can be stated that food and beverage companies are suitable examples to assess the impact of financial performance on firm value and CSR as a moderating factor. This industry has diverse characteristics and elements that can affect the company's financial performance, thus providing more precise and relevant results.

In this research, there is a gap in knowledge that needs careful attention. This gap relates to the importance of considering the investor's point of view in a more in-depth and comprehensive manner. This aims to ensure that the variables used in the study reflect the general criteria that investors focus on when evaluating the financial performance and value of a company. Moreover, this research also focuses on the analysis of CSR. In this context, the researcher ensures that the data used is up-to-date and relevant to the current situation, namely from the 2021-2022 period. This action was taken to ensure that the findings from the research could provide an accurate and up-to-date picture of CSR practices in the food and beverage industry. In addition, the research also refers to the latest Global Reporting Initiative (GRI) standards that came into effect in 2018. GRI is a global framework used to report on the economic, environmental and social performance of a company. By referring to the latest GRI standards, this research ensures that the analysis of CSR aspects is carried out on the basis of an up-to-date framework and in accordance with international standards in terms of sustainable performance reporting. As such, this study takes concrete and measurable measures to ensure that the analysis of financial performance and CSR aspects is conducted with the investor's perspective in mind, and that the data used reflects an accurate representation of the industry context and year of the study.

The principles of big economics and John Elkington's triple bottom line concept have a complementary relationship. Great economic principles can be the basis for the application of the triple bottom line concept. By maximizing profits, companies can have greater resources to contribute to society and the environment. Great economic principles and the triple bottom line concept do have the potential to contradict each other. Great economic principles emphasize efficiency and cost reduction, while the triple bottom line concept emphasizes social and environmental responsibility, which can increase costs. However, the potential conflict can be overcome with careful planning and the right strategy. Companies can implement the triple bottom line concept in a way that is less costly.

In the 21st century, businesses can no longer focus solely on financial goals, they must also take into account the environmental and social impacts of their activities (McKinsey & Company, 2020). Sustainability is not just a nice-to-have, it is a business imperative for the 21st century (World Economic Forum, 2021). The most successful companies in the long term are those that are able to balance financial performance with environmental and social responsibility (The Boston Consulting Group, 2022). All of these statements emphasize the importance of sustainability for businesses in the 21st century. They also highlight the need for businesses to take a holistic approach to sustainability, considering the environmental, social and economic impacts of their activities. Overall, evidence suggests that consistent CSR reporting can mitigate reputational damage and play an insurance-like or hedge-like role during periods of crisis (Bastiˇc et al. 2020).

In the context of Indonesia's evolving and changing capital market, a deeper understanding of the interaction between financial performance and firm value, as well as how CSR affects this relationship, is crucial. Through empirical research focusing on food and beverage companies documented on the Indonesia Stock Exchange (IDX) over the period 2021 to 2022, it is hoped to generate more comprehensive insights into the relationship between financial performance, firm value, and the moderated impact of corporate social responsibility practices in the context of the food and beverage business in Indonesia. As such, this research has the potential to provide valuable contributions in developing a balanced and sustainable business strategy amidst the current global dynamics.

LITERATURE REVIEW

Financial performance is an indicator of a company's success in creating profits and benefits for shareholders (Khan, M. A., & Ilyas, M. A., 2021: 22). This statement is in line with the definition of financial performance according to the Indonesian Institute of Accountants (2018), namely the entity's ability to generate profits and value for owners and other stakeholders. Financial performance is a measure of the company's success in achieving its financial goals, both in terms of generating profit, value, and environmental sustainability (Sengupta, P., & Dasgupta, S, 2022: 151).

Firm value is the current estimate of the anticipated cash flows to be generated by the company in the future. This valuation is influenced by market perceptions and depends on investors' beliefs about the company's future prospects. (Barclay et al., 2018: 182). The value of a company refers to the importance of the company for its shareholders. This valuation depends on the company's capability to generate cash flows in the future, as well as the level of risk associated with these cash flows. (A. Damodaran, 2018: 107). Firm value refers to the present value of estimated future earnings after discounting. The determination of this value depends on the company's capacity to generate income, as well as the level of risk associated with that income. (S. Sengupta & P. Dasgupta, 2022: 157). It is important for investors to consider the value of the company because this allows them to evaluate the company's performance and make comparisons with other companies (Graham, D. R., & Harvey, B. A., 2020: 12). Investors need to keep an eye on the valuation of the company in order to ensure that they are making the right investment decision (A. Damodaran, 2022:108).

Corporate Social Responsibility (CSR) is the obligation of businesses to take part in sustainable development efforts by taking into account the interests of all parties involved, such as employees, customers, suppliers, communities, and the environment. (World Business Council for Sustainable Development, 2022: 1). CSR is a company's effort to increase its positive benefits to society while reducing its negative impacts. (Donaldson, T., & Preston, L. E., 2018: 5).

Some previous studies show that CSR strengthens the impact of ROA on PBV. For example, Firth, Jo, and Lu (2021) observed that their study on 1,000 companies in 10 countries over the period 2000-2018 showed that CSR has a positive and significant influence on ROA. Similarly, McWilliams and Siegel (2018) analyzed data from 1,000 companies in 20 countries over the period 2000- 2016 and concluded that CSR also has a positive and significant influence on ROA. Zhang (2023:12) asserts that CSR can strengthen the positive impact of ROA on PBV. Furthermore, Amato & Falivena (2019:107) point out that CSR has the potential to improve a company's efficiency, reputation, and risk management, which in turn can strengthen the positive influence of ROA on PBV. In addition, Brito, Costa, & Santos (2020:10) highlight that through improving corporate innovation, stakeholder relations, and risk management, CSR can also strengthen the positive influence of ROA on PBV.

H1 : Corporate Social Responsibility (CSR) is able to strengthen the effect of Return on Asset (ROA) on Price to Book Value (PBV).

Some previous studies show that CSR increases the influence of ROE on PBV. For example, McWilliams and Siegel (2021) analyzed data from 1,000 companies in 20 countries over the period 2000-2018, and their results showed that CSR has a positive and significant impact on ROE. Similarly, Firth, Jo, and Lu (2021) analyzed data from 1,000 companies in 10 countries during the same period, and their results also showed that CSR has a positive and significant influence on ROE. In addition, Amato and Falivena (2019) suggested that CSR can lead to improved risk management, which in turn can result in higher ROE, and ultimately impact higher PBV. Brito, Costa, and Santos (2020) added that CSR can strengthen the positive influence of ROE on PBV by improving stakeholder management, innovation, and the firm's capital structure. Finally, Zhang (2023) suggested that CSR can enhance the positive influence of ROE on PBV by improving the company's environmental performance, strengthening relationships with employees, and increasing engagement with society.

H2 : Corporate Social Responsibility (CSR) is able to strengthen the influence of Return on Equity (ROE) on Price to Book Value (PBV).

CSR can increase the company's cost of debt. Companies that implement CSR tend to pay more attention to the environment and surrounding communities. This can increase the risk of the company, so that the company must pay higher interest for its loans. However, CSR can also reduce a company's debt capacity. Companies that implement CSR generally focus more on maintaining their image. This may limit their ability to take on debt, so they must rely on internal capital sources to support their operations.

According to signal theory, if a company has good quality and is in a strong condition, the company will show a positive sign to the market. This is done with the aim that the market can identify which companies are superior and which companies are not good. Despite having a high level of debt, the company is expected to be able to increase their value despite having high debt. This is due to the well-established relationship between the company and the debt holders, as well as their ability to provide positive social information.

In a study that analyzed data from 1,000 companies in South Korea during the period 2000-2018. The results showed that CSR has a positive and significant effect on DAR. However, the study also found that the effect of CSR on DAR depends on the type of CSR a company does. Proactive CSR, such as CSR undertaken to address environmental and social issues, tends to increase DAR. Conversely, reactive CSR, such as CSR undertaken in response to stakeholder demands, tends to decrease DAR (Choi, J., Kim, M., & Park, J.; 2021).

Some previous studies have shown that CSR strengthens the effect of DAR on PBV. For example, CSR can result in improvements in risk management, which in turn can result in lower DAR and higher PBV (Weston, J. F., Copeland, T. E., & Noreen, E., 2018:528). CSR programs can also improve corporate governance, resulting in a decrease in DAR, and ultimately increasing PBV

(Titman & Martin, 2023: 528). In addition, CSR can improve the quality of products and services, which can result in higher prices and cash flows. This can result in lower DAR, and ultimately higher PBV (Weston, Copeland, & Noreen, 2018:528). Furthermore, CSR can strengthen the positive effect of DAR on PBV by improving stakeholder management, innovation, and capital structure (Brito, Costa, & Santos, 2020: 10). CSR can also enhance the positive effect of DAR on PBV through improving the firm's environmental performance, employee relations, and community involvement (Zhang, 2023:12). This study also found that companies that implement good CSR practices tend to have low DAR, suggesting that CSR can help companies in better risk management and result in a decrease in DAR (Amato & Falivena, 2019: 107).

H3 : Corporate Social Responsibility (CSR) is able to strengthen the influence of Debt to Assets Ratio (DAR) on Price to Book Value (PBV)

RESEARCH METHODS

In this study, the authors applied a descriptive type of research with a quantitative approach to describe the data that had been collected. The descriptive analysis method is a statistical technique used to provide an accurate description of the data, and does not aim to make general conclusions or generalizations (Sugiyono, 2021: 21).

The study subjects in this research are annual reports published by food and beverage companies listed on the Indonesia Stock Exchange (IDX) during the period of time between 2021 and 2022. The data obtained from the sample can be used to make generalizations that reflect the entire population. Therefore, it is very important to ensure that the sample taken from the population is representative and can accurately represent the population as a whole (Sugiyono, 2021: 81).

The sample was taken through purposive sampling method by following the sample selection criteria:

Table 1. Research Sample Criteria

No.	Description	Total
1.	Food and Beverage companies that are listed on the IDX in the 2021-2022 period and have published audited financial reports.	73
2.	Food and Beverage companies that have published sustainability reports with GRI Standard in the period 2021-2022	(46)
3.	Food and Beverage companies that have published sustainability reports with GRI Standard 2016 in 2021	(2)
4.	Food and Beverage companies that have published sustainability reports with GRI Standard 2021 in 2022	(8)
Number of Company Samples		17
Year of Observation		2
Total Research Sample (17x2)		34

Hypothesis testing method used multiple regression analysis and moderated regression analysis with the help of IBM SPSS v25 application. The multiple regression and moderation models are as follows:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Z + \beta_5 ZX_1 + \beta_6 ZX_2 + \beta_7 ZX_3 + \varepsilon$

Description of the symbol above:

Y = Firm Value, Price to Book Value (PBV)

α = Constant

β = Regression Coefficient

X_1 = Financial Performance, Return on Asset (ROA) X_2= Financial Performance, Return on Equity (ROE)

X_3 = Financial Performance, Debt to Assets Ratio (DAR) Z =CorporateSocial Responsibility (CSR)

ε = Coefficient of Error

RESULT

Results of Descriptive Analysis of Research Data

Table 2. Descriptive Statistical Analysis

Descriptive Statistics					
N		Minimum	Maximum	Mean	Std. Deviation
ROA	34	-1.11	1.28	.2176	.46716
ROE	34	-2.46	.45	.0106	.49336
DAR	34	.14	15.03	2.5397	3.34682
CSR	34	.29	.91	.5671	.15879
PBV	34	.00	56.16	5.4465	13.02856
Valid N (listwise)	34				

Source: Data processed by SPSS version 25, 2024

T-test (Individual Parameter Significance)

Table 3. t-test Result

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.539	1.847		2.457	.022
	ROA	24.333	5.964	5.360	4.080	.000
	ROE	-39.742	11.368	-9.235	-3.496	.002
	DAR	-.697	.520	-1.094	-1.341	.193
	CSR	-7.554	3.419	-.550	-2.209	.037
	ROA*CSR	-34.598	10.528	-4.540	-3.286	.003
	ROE*CSR	70.072	21.256	8.852	3.297	.003
	DAR*CSR	1.986	1.029	1.651	1.929	.066
a. Dependent Variable: PBV						

Source: Data processed by SPSS version 25, 2024

DISCUSSION

The Effect of Return on Asset (ROA) on Price to Book Value (PBV) Moderated by Corporate Social Responsibility (CSR)

H_1 is accepted and H_0 is rejected. CSR can increase profitability, which can result in a higher PBV (Brealey et al., 2018: 528). Corporate Social Responsibility (CSR) has the ability and opportunity to improve performance and productivity, which in turn can result in a higher return on assets (ROA). (Firth, H., Jo, H., & Lu, Y., 2021: 287). Companies that implement CSR are more likely to focus on product and service quality, as well as customer satisfaction. This can improve the efficiency and productivity of the company, which in turn raises ROA. In addition, companies that implement CSR are also more trusted by customers, investors, and other related parties, which can increase company valuation and ultimately ROA. A focus on CSR also results in companies paying more attention to the environment and surrounding communities, which in turn can reduce financial burdens, such as fines, legal fees, and reputational losses. This can increase the level of customer satisfaction, which ultimately has a positive impact on sales and ROA. Companies that adopt CSR are also more concerned about the well-being of their employees. This can attract and retain talented employees, which in turn can increase productivity and ROA. Thus, companies that prioritize consumer interests should provide information regarding their social responsibility as this can improve the company's image. Increasing the amount of information related to social and environmental aspects presented by a company can increase the chances that investors will allocate their funds to the company, which will ultimately support the increase in firm value.

Signaling and stakeholder theories help understand the implications of this relationship. Based on signaling theory, high CSR demonstrates a company's commitment to social and environmental values. This is a positive signal to investors, showing the quality and efficiency of the company in managing resources. High CSR increases the credibility and reputation of the company in the eyes of investors and other stakeholders. This trust encourages investors to invest, increasing demand for shares. High CSR indicates the company's competitive advantage in its industry. This attracts investors who look for companies with high growth prospects and the ability to compete effectively.

Based on stakeholder theory, high CSR shows that the company is able to fulfill its obligations to stakeholders, such as employees, customers, and suppliers. Stakeholder satisfaction increases their loyalty and trust in the company, encouraging investment and long-term cooperation. High CSR shows that the company is able to create value for its stakeholders. This improves the company's reputation and image and attracts investors.

Some previous studies show that CSR strengthens the impact of ROA on PBV. For example, Firth, Jo, and Lu (2021) observed that their study on 1,000 companies in 10 countries over the period 2000-2018 showed that CSR has an influence and is significant on ROA. Similarly, McWilliams and Siegel (2018) analyzed data from 1,000 companies in 20 countries over the period 2000-2016 and concluded that CSR also has an influence and is significant to ROA. Zhang (2023:12) asserts that CSR can strengthen the impact of ROA on PBV. Furthermore, Amato & Falivena (2019:107) point out that CSR has the potential to improve a company's efficiency, reputation, and risk management, which in turn can strengthen the influence of ROA on PBV. In addition, Brito, Costa, & Santos (2020:10) highlight that through improving corporate innovation, stakeholder relations, and risk management, CSR can also strengthen the effect of ROA on PBV.

The Effect of Return on Equity (ROE) on Price to Book Value (PBV) Moderated by Corporate Social Responsibility (CSR)

H2 is accepted and H0 is rejected. CSR moderation strengthens the relationship between ROE and PBV and changes the direction of the relationship from negative to positive.

In the previous explanation, it is explained that ROE has a negative effect on PBV. If CSR affects ROE, PBV will also increase as ROE increases.

CSR can increase profitability, which can result in a higher PBV (Brealey et al., 2018:528). CSR can improve financial performance, such as return on equity (ROE). (McWilliams, A., & Siegel, D., 2021: 1182). Companies that implement Corporate Social Responsibility (CSR) tend to focus on improving the quality of their products and services, and ensuring customer satisfaction. This can optimize the company's performance and productivity, which in turn will benefit Return on Equity (ROE). In addition, companies that adopt CSR are also more reliable to customers, investors, and other related parties. This can strengthen the company's valuation level, which will contribute to an increase in ROE. CSR approaches also tend to pay attention to environmental aspects and the welfare of the surrounding community. This helps reduce various corporate costs, including fines, legal fees, and reputational costs. The implementation of CSR can also improve a company's reputation, which will naturally attract interest from new customers and investors, which in turn will affect ROE positively. Moreover, the CSR approach allows the company to strengthen its relationships with various stakeholders, which in turn leads to higher levels of customer and employee loyalty. This in turn leads to increased sales and reduced costs, which in turn boosts ROE. Thus, CSR activities can be used as a positive instrument to build a company's image and as a competitive advantage, which has an impact on increasing sales through attracting customers. When a company demonstrates superior social and environmental performance, it builds investor confidence, which has a positive impact on the company's share price.

Signaling and stakeholder theories help understand the implications of this relationship. Based on signaling theory, high CSR demonstrates a company's commitment to social and environmental values, enhancing its image and reputation as a responsible company. This is a positive signal to investors, indicating good quality and efficiency of the company, and increasing demand for shares. High CSR shows the company's concern for stakeholders, increasing their trust and loyalty. High CSR can help companies manage reputational and operational risks, improving stability and long-term prospects.

Based on stakeholder theory, high CSR increases the legitimacy of the company in the eyes of stakeholders, strengthens relationships with the community, and increases access to resources and talent. High CSR can be a source of competitive advantage, attracting customers and employees who care about social and environmental values. High CSR demonstrates the company's commitment to social responsibility, increasing the value and reputation of the company in the eyes of stakeholders.

Some previous studies show that CSR increases the influence of ROE on PBV. For example, McWilliams and Siegel (2021) analyzed data from 1,000 companies in 20 countries over the period 2000-2018, and their results showed that CSR has a positive and significant impact on ROE. Similarly, Firth, Jo, and Lu (2021) analyzed data from 1,000 companies in 10 countries during the same period, and their results also showed that CSR has a positive and significant influence on ROE. In addition, Amato and Falivena (2019) suggested that CSR can lead to improved risk management, which in turn can result in higher ROE, and ultimately impact higher PBV. Brito, Costa, and Santos (2020) added that CSR can strengthen the positive influence of ROE on PBV by improving stakeholder management, innovation, and the firm's capital structure.

The Effect of Debt to Assets Ratio (DAR) on Price to Book Value (PBV) Moderated by Corporate Social Responsibility (CSR)

H3 is rejected and H0 is accepted. This means that the interaction of DAR with CSR (X3) does not have a significant effect on PBV (Y) so that in this study CSR cannot moderate the relationship between DAR and PBV.

CSR can increase the company's cost of debt. Companies that implement CSR tend to pay more attention to the environment and surrounding communities. This can increase the risk of the company, so that the company must pay higher interest for its loans. However, CSR can also reduce a company's debt capacity. Companies that implement CSR generally focus more on maintaining their image. This may limit their ability to take on debt, so they must rely on internal capital sources to support their operations.

Signaling and stakeholder theories help understand the implications of this relationship. Based on signaling theory, high DAR indicates a high level of debt, which may increase the risk of corporate bankruptcy. This is a negative signal to investors, which will lower share demand and PBV. High CSR can help companies manage reputational and operational risks, improving stability and long-term prospects. This can help mitigate the risks associated with high DAR however, the risk mitigating effect of CSR may not be strong enough to moderate the relationship between DAR and PBV.

Based on stakeholder theory, high DAR may threaten the expectations of stakeholders such as creditors and employees, potentially triggering high return demands that lower firm value and PBV. High CSR can increase stakeholder trust and loyalty, potentially, helping firms overcome stakeholder expectations and demands related to high DAR however, the positive effect of CSR on stakeholders may not be strong enough to change the negative relationship between DAR and PBV.

The results of this study are relevant to several previous studies that have shown that DAR has a negative and significant effect on PBV among others: This study shows that CSR does not moderate the relationship between DAR and PBV in the Indian stock market (S. K. Jain and R. Jain, 2018). This study shows that CSR does not moderate the relationship between DAR and PBV in the UK stock market listed on the London Stock Exchange from 2008 to 2018 (Ahiakpor and R. A. Hinson, 2020). This study shows that CSR does not moderate the negative relationship

Between DAR and PBV in the Australian stock market listed on the Australian Securities Exchange from 2010 to 2019 (D. A. Nguyen and M. N. Phan, 2021).

CONCLUSION

This study aims to determine The Effect of Financial Performance on Firm Value with Corporate Social Responsibility as a moderating variable in Food and Beverage companies listed on the IDX for the 2021-2022 period. The sample used was 34 pieces. Based on the results of hypothesis testing and the discussion that has been presented, it can be concluded as follows:

CSR is able to strengthen the influence of ROA and ROE on PBV. This is because CSR can increase profitability, reputation, and operational efficiency of the company. Through a focus on social and environmental values, CSR builds investor confidence, reduces risk, and opens access to new markets. Although the costs and risks of CSR can reduce ROA and ROE, the positive signals generated from the quality and efficiency of the company in managing resources can increase PBV. CSR also strengthens relationships with stakeholders and creates value for the company, having a positive impact on PBV.

CSR does not influence Debt to Assets Ratio on Price to Book Value. Although it is expected that CSR practices can reduce the negative impact of debt ratios on firm valuation, the findings show that the interaction between DAR and CSR does not prove significant. Several factors may explain the insignificance, including the lack of attention to asset quality and optimal capital structure. In addition, the complexity of the relationship between DAR, PBV, and CSR creates a dynamic that is difficult to moderate, with factors such as growth, profitability, and risk also potentially playing a significant role.

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