



Moderating Effect of Profitability in Disclosure of Corporate Social Responsibility, Leverage, and Firm Size: Effect on Share Price

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ABSTRACT

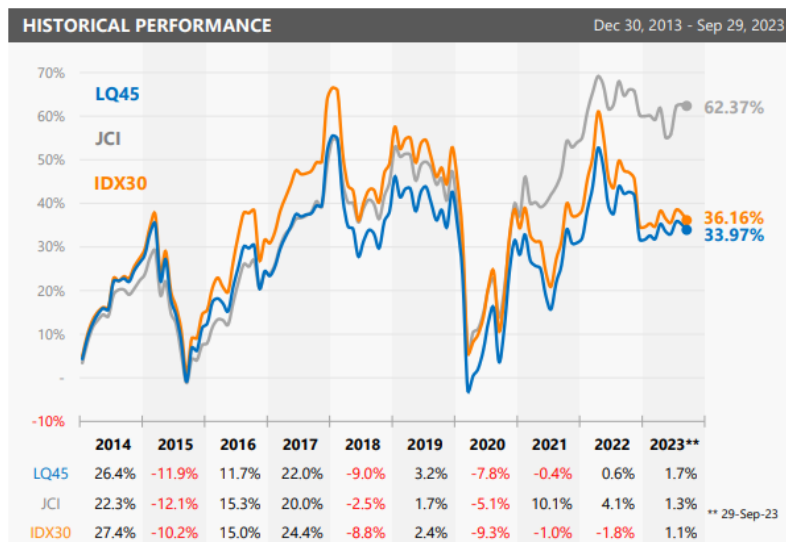
This research aims to examine the effect of Corporate Social Responsibility (CSR), leverage, and firm size on share prices in companies listed on the LQ45 index of the Indonesia Stock Exchange (IDX), with profitability as a moderating variable. This research uses a quantitative approach with a sample size of 20 companies over 7 years, namely 140 research samples obtained using a purposive sampling technique. This research uses secondary data collected through documentation method. The data analysis technique used is Partial Least Square Structural Equation Modeling (PLS-SEM) using SmartPLS 3.0 software. The test stages using PLS-SEM are divided into 3 stages, namely measurement model analysis (outer model), structural model analysis (inner model), and hypothesis testing. The results of the analysis in this study indicate that CSR disclosure, leverage, firm size and profitability influence the share prices of LQ45 index companies. Apart from that, profitability is unable to moderate the influence of CSR and leverage on the share prices of LQ45 index companies. However, profitability is able to moderate the influence of firm size on the share prices of LQ45 index companies.

INTRODUCTION

Investment teaches investors to assess company shares by looking at the level of risk of the company and the desired profit. Investors certainly want to have high returns in the future on the investments they make in public companies listed on the Indonesian capital market, namely the Indonesia Stock Exchange (IDX). Companies listed on the IDX have several company indexes, one of which is the LQ45 index which is an index containing 45 companies that have been selected based on the level of liquidity, market capitalization, fundamental conditions of the company, and the company's growth prospects. The share price of LQ45 index companies fluctuates, this means that investors will potentially get capital gains or capital losses. However,

the phenomenon that has occurred in recent years shows a drastic decrease in the share price of LQ45 index companies in 2020, as shown in Figure 1.

Figure 1. Share Price Historical Performance During 2014-2023



Source: Indonesia Stock Exchange, 2023

The share price in the company shows the price listed on the share exchange at a certain time (Bangun & Natsir, 2023). The share price is determined by the market based on the supply and demand forces of the company with investors (shareholders). The more people who buy the company's shares, the higher the share price will tend to be, and vice versa (Wijaya & Lukman, 2022). The increase and decrease of share prices is a common thing for entrepreneurs. However, when these shares fall drastically, this is a problem for the company. In increasing or maintaining the share price of a company, there are several indicators that companies need to have in order to help achieve this, namely the disclosure of Corporate Social Responsibility (CSR) programs, leverage policies, and firm size.

CSR is the social responsibility of companies for the impacts they cause (Musfirati et al., 2021). CSR is an obligation that must be fulfilled by a company in the present, which when not fulfilled will expose the company to sanctions. Therefore, the company's role in implementing CSR is of concern to investors and the public.

Another strategy that companies can take to increase or maintain share prices is to have a leverage policy. Leverage describes how a company funds its operations through loans or debt, as well as its capacity to repay those loans (Tantawi & Jonnardi, 2020). A well-implemented leverage policy for the company's operational activities will certainly have an impact on increasing share prices. However, a company that uses too much debt will endanger the company itself because its operating profit will be used up to pay off the debt.

Firm size is also one of the factors that can affect the rise and fall of share prices. Firm size reflects the total assets of the company (Budiharjo et al., 2022). Companies that have large total assets will have the flexibility to utilize the assets of the company. In this case, the company's income or sales can be more stable, so that it will also have an impact on the stability of the share price. The larger the size of the company, the higher the share price, and vice versa.

Investors always ensure that the capital they will invest in the company is able to provide the expected rate of return before starting to invest. Investors need to find out about the company's performance, especially on the company's profitability ratio. Profitability ratios can show the value of a company's ability to make a profit (Kasmir, 2019:198). Every company always has a plan to increase the profitability of their own company because when the company has

high profits, the level of the company's ability to distribute dividends to stakeholders will also be affected.

The existence of profitability is considered very important in business sustainability, because profit is considered important to increase investor's interest in investing. In addition, firm size and several company policies such as CSR and leverage also require balanced profits. This shows the importance of profitability in the company, so that it becomes a moderator in this study to strengthen or weaken CSR disclosure, leverage, and firm size on share prices.

The novelty in this study compared to previous studies is the application of legitimacy theory, because previous studies were dominated by signaling theory. In addition, CSR disclosure, leverage, and firm size become independent variables because investors nowadays do not only analyze the company's existence based on internal contributions, but also external contributions that affect the company's image in society. Another research novelty is the use of profitability as a variable that moderates CSR disclosure, leverage, and firm size, because if profits are not balanced in the company, then CSR disclosure and leverage cannot be implemented properly and will not increase firm size. Therefore, this study aims to determine and analyze the effect of Corporate Social Responsibility disclosure, leverage, and firm size on the share price of LQ45 Index companies with profitability as a moderating variable.

LITERATURE REVIEW

Signaling Theory

Bangun & Natsir (2023) stated that signaling theory is used to describe the behavior of individuals or companies in a network to obtain information. The signal sender must be able to choose how to communicate or give a signal about the information obtained from the source, while the signal receiver must be able to interpret the signal. According to Utami & Darmawan (2019), signaling theory is an information signal that investors need to consider and determine investor decisions in investing their shares in a company. A good signal can be good news and have a positive effect in the form of increased sales and favorable conditions. Meanwhile, a bad signal becomes something undesirable, such as a loss.

Legitimacy Theory

According to Putra et al. (2020), legitimacy theory argues that there is a "social contract" between the company and the community in its operational environment. The social contract illustrates the high expectations of the community for the company in carrying out its operational activities. Legitimacy theory focuses on companies and their interactions with society. Legitimacy theory also argues that companies have an agreement with society to operate in accordance with the principles of justice, as well as how companies respond to various interested parties to validate their actions (Badjuri et al., 2021). Companies need to improve their performance in share returns if they want to gain legitimacy from investors. In addition, companies must always improve the service and quality of the products or services provided if they want to gain legitimacy from consumers.

Share Price

Shares can be referred to as securities that indicate partial ownership of a business entity or company (Elviani et al., 2019). The share price is the value of shares that apply to the capital market. According to Santioso & Angesti (2019), the share price is a sign of the success of a company and is determined by investor interest. Demand from investors for higher company shares will have an impact on the high price of the shares, and vice versa.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a form of corporate responsibility in fulfilling the rights of stakeholders. In addition, Budiharjo et al. (2022) also stated that corporate social responsibility (CSR) describes a concept in which companies do not only prioritize financial responsibility, but also pay attention to three main aspects, which are financial, social, and environmental. In this study, CSR is measured using the Global Reporting Initiative G4 index.

Leverage

Leverage can be defined as one of the company's efforts to manage debt funds or loan capital that the company uses to fund its operations and increase returns on funds and generate profits for the company. Leverage describes how a company funds its operations through loans or debt, as well as its capacity to repay these loans (Tantawi & Jonnardi, 2020). The higher the leverage ratio in a company, the higher the risk it will face. However, leverage can achieve the level of income expected by the company, so it can affect the increase in share prices. In this study, leverage is measured using the Debt to Equity Ratio (DER).

Firm Size

Firm size reflects the total assets of the entire company (Budiharjo et al., 2022). The company's total assets are a measure of the size of a company. The lower the total assets owned by the company, the smaller the company is considered, and vice versa. In this study, firm size is measured using the natural logarithm of total assets.

Profitability

Profitability is a ratio used to assess the company's financial performance in earning profits in a period (Kasmir, 2019:198). So, the profitability ratio can be called a ratio that assesses the company's performance in generating profits. This ratio measures the level of effectiveness of the company which is assessed through profit from sales or other income. In this study, profitability is measured using Return on Equity (ROE).

The Effect of Corporate Social Responsibility Disclosure on Share Price

The disclosure of Corporate Social Responsibility (CSR) has become controversial in several studies, because the results of the research revealed are always different, namely negative and positive effects. According to Tasnia et al. (2021), CSR has a significant positive effect on share price volatility. However, based on research conducted by Utomo (2019), CSR has no influence on share prices. These results suggest that the size of CSR, whether large or small, has no direct impact on share prices.

H₁: The Corporate Social Responsibility disclosure (X₁) affects the share price (Y)

The Effect of Leverage on Share Price

The leverage policy is related to the company's share price, because the higher the leverage value of the company will increase the company's share price. However, in its application, there is often an inconsistency as proven by several studies. Research conducted by Bangun & Natsir (2023) as results that support that leverage has a positive effect on share prices. However, there are studies that have the opposite results as revealed by Utami & Darmawan (2019), that leverage as measured using DER has no effect on share prices.

H₂: Leverage (X₂) affects the share price (Y)

The Effect of Firm Size on Share Price

The bigger the company, the higher the company's assets and sales will be. This is supported by research by Nasution & Sari (2020) which reveals that firm size has a positive influence on share prices. However, there are studies that have the opposite results as revealed by Budiharjo et al. (2022), firm size has no significant effect on share prices.

H₃: Firm size (X₃) affects share price (Y)

The Effect of Profitability on Share Price

Increased company profitability has a tendency to increase share prices, because the level of company profits can affect share prices. This is supported by research conducted by Utomo (2019) which states that profitability as measured using Return on Equity (ROE) has a significant effect on share prices. However, there are studies that have the opposite results as revealed by Wulandari et al. (2020) which states that profitability as measured using ROE has a negative and insignificant effect on share prices.

H₄: Profitability (Z) affects the share price (Y)

The Effect of Profitability in Moderating Corporate Social Responsibility Disclosure on Share Price

Corporate Social Responsibility (CSR) disclosure affects the share price. This is because CSR programs that relate to the community can attract investors to invest so that it can increase the share price. However, some studies prove that this statement is inconsistent, which means that there are studies that say there is no relationship between CSR and share price. Therefore, there is a profitability variable as moderation that can strengthen or weaken the relationship between CSR and share price. The research conducted by Saifudin & Nurhadi (2022) has results that reveal that profitability measured using Return on Equity (ROE) has a positive and significant effect in moderating environmental CSR disclosures on share prices. But in addition, research by Saifudin & Nurhadi (2022) also reveals that profitability measured using ROE has a negative and insignificant effect in moderating economic and social CSR disclosures on share prices.

H₅: Profitability (Z) is able to moderate the disclosure of Corporate Social Responsibility (X₁) on share prices (Y)

The Effect of Profitability in Moderating Leverage Disclosure on Share Price

Several studies have stated that leverage affects share prices. Leverage is one of the sources of funds obtained by the company from external parties, so it can be said that the existence of leverage can automatically increase the share price. However, there are many studies that reveal that leverage has no effect on share prices, so this becomes an inconsistency in research. Therefore, there is a profitability variable as a variable that can strengthen or weaken the relationship between leverage and share price. Research conducted by Romadhon & Yuniningsih (2022) has results proving that profitability can moderate the effect of leverage on share prices. But in addition, there is research by Aristaldo & Rahmiyati (2022) which reveals the opposite, that is, profitability cannot mediate the effect of leverage on share prices.

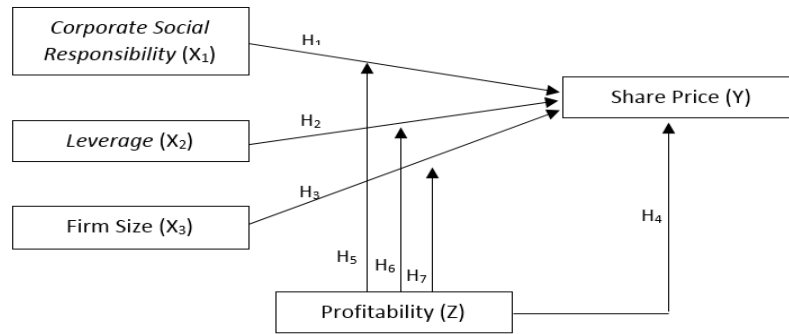
H₆: Profitability (Z) is able to moderate leverage (X₂) on share price (Y)

The Effect of Profitability in Moderating Firm Size Disclosure on Share Price

Firm size has an influence on share prices, because the larger the size of the company makes investors interested in investing. In addition, investors also see the important role of profitability in the company's financial statements. Companies that have a large firm size with high profitability will be able to provide positive signals to stakeholders. However, because there are no results from similar studies, the role of profitability in moderating the effect of firm size on share price is one of the novelties that will be examined in this study.

H₇: Profitability (Z) is able to moderate firm size (X₃) on share price (Y)

Figure 2. Conceptual Framework



METHODS

This research uses quantitative methods using secondary data. Data collected using the documentation method. Samples were taken using purposive sampling technique by providing several criteria, including:

1. LQ45 index companies listed on the Indonesia Stock Exchange (IDX) in 2016-2022
2. Companies that publish sustainability reports consistently in 2016-2022
3. Companies that have complete data in 2016-2022.

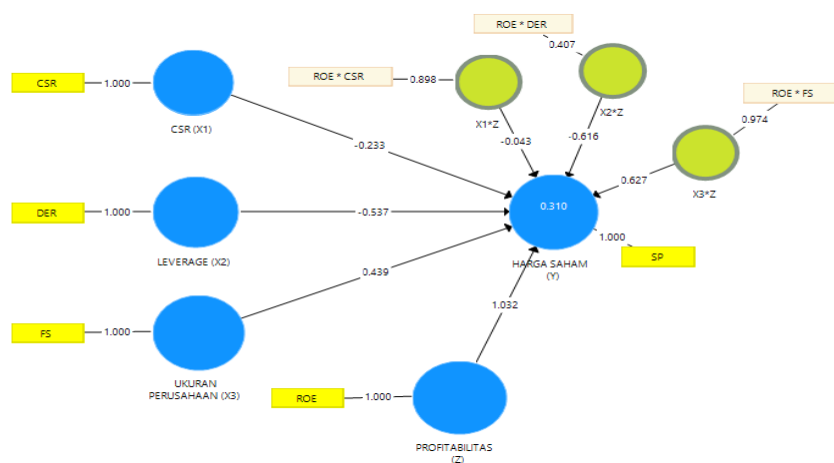
Based on the sample criteria, there are 20 index LQ45 companies that match the criteria in this study. The total companies sampled were multiplied by 7 years, resulting in a total sample of 140 research samples that met the criteria. In this study, the analysis technique and hypothesis testing used was Partial Least Square Structural Equation Modeling (PLS-SEM) using SmartPLS 3.0 software.

RESULTS

Measurement Model Analysis (Outer Model)

Measurement model analysis (outer model) is a stage to measure the validity and reliability of latent variables. Measurement is carried out with three criteria, including convergent validity, discriminant validity, and composite reliability.

Figure 3. Convergent Validity Measurement Result



Source: Software SmartPLS 3, 2024

Table 1. Convergent Validity Test Result

Latent Variable	CSR	Leverage	Firm Size	Share Price	Profitability
X ₁	1,000				
X ₂		1,000			
X ₃			1,000		
Y				1,000	
Z					1,000

Source: Software SmartPLS 3, 2024

Based on the convergent validity test results listed in Table 1, it is known that the outer loading results of the X₁, X₂, X₃, Y, and Z variables have a value greater than 0,7, which is 1,000 so it can be said that the variables have met the requirements and can be considered valid. Figure 3 shows the graph of the convergent validity test results.

Table 2. Discriminant Validity Test Result

Latent Variable	CSR	Leverage	Firm Size	Share Price	Profitability
X ₁	1,000	0,000	0,000	0,000	0,000
X ₂	-0,147	1,000	0,000	-0,152	0,000
X ₃	-0,075	0,674	1,000	0,012	-0,207
Y	-0,193	0,000	0,000	1,000	0,000
Z	-0,011	0,050	0,000	0,261	1,000

Source: Software SmartPLS 3, 2024

Based on the results of the discriminant validity test listed in Table 2, it can be seen that the AVE root value of each variable is greater than the AVE root that correlates with other variables, so it can be concluded that the instruments in this study have met the discriminant validity criteria.

Table 3. Composite Validity Test Result

Latent Variable	Composite Reliability	Cronbach's Alpha
X ₁	1,000	1,000
X ₂	1,000	1,000
X ₃	1,000	1,000
Y	1,000	1,000
Z	1,000	1,000

Source: Software SmartPLS 3, 2024

Based on the composite reliability test results listed in Table 3, it can be seen that the composite reliability and Cronbach's alpha values are 1,000 each. This value is greater than the composite reliability standard of 0,7, so that each variable can be declared to have met the requirements to be considered reliable.

Structural Model Analysis (Inner Model)

Structural model analysis (inner model) is a stage to describe the relationship between latent variables (Hair et al., 2022:41). Structural model testing is carried out with 3 tests, that is coefficient of determination (R^2), effect size (f^2), path coefficient, and predictive relevance (Q^2).

Table 4. Coefficient Determination (R²) Test Result

Latent Variable	R Square	R Square Adjusted
Y	0,310	0,273

Source: Software SmartPLS 3, 2024

Based on the test results of the coefficient of determination listed in Table 4, it can be seen that the Adjusted R Square value is 0,273. This means that the ability of exogenous latent variables to explain endogenous latent variables is 27,3%. Therefore, the ability of the CSR, leverage, and firm size variables is stated to be quite weak because it is only 27,3%, while the remaining 72,7% is the influence of exogenous latent variables other than those not measured in this study.

Table 5. Effect Size (f²) Test Result

Latent Variable	Y
X ₁	0,077
X ₂	0,190
X ₃	0,127
Z	0,128
X ₁ *Z	0,002
X ₂ *Z	0,064
X ₃ *Z	0,044

Source: Software SmartPLS 3, 2024

Based on the results of the effect size test listed in Table 5, it can be seen the value of the influence of each exogenous latent variable on the endogenous latent variable. The f² value of the CSR variable (X₁) is 0,077 which has a value <0,15, which means that this variable has a moderate effect on share prices (Y). The f² value of the leverage variable (X₂) is 0,190, which has a value <0,35, which means that this variable has a large effect on share prices (Y). The f² value of the firm size variable (X₃) of 0,127 which has a value <0,15 means that this variable has a moderate effect on share prices (Y). The f² value of the profitability variable (Z) of 0,128 which has a value <0,15 means that this variable has a moderate effect on share prices (Y).

The f² value of the profitability moderation variable on CSR (X₁*Z) is 0,002 which has a value <0,02, which means that this variable has a small effect on share price (Y). The f² value of the moderating variable profitability on leverage (X₂*Z) is 0,064 which has a value <0,15, which means that this variable has a moderate effect on share price (Y). The f² value of the profitability moderation variable on firm size (X₃*Z) is 0,044 which has a value <0,15, which means that this variable has a moderate effect on share price (Y).

Table 6. Path Coefficient Test Result

Latent Variable	Y
X ₁	-0,233
X ₂	-0,537
X ₃	0,439
Z	1,032
X ₁ *Z	-0,043
X ₂ *Z	-0,616
X ₃ *Z	0,627

Source: Software SmartPLS 3, 2024

Based on the results of path coefficient testing listed in Table 6, the significance value between variables can be seen. The path coefficient value of the CSR variable (X_1) of -0,233 means that this variable has a negative relationship to the share price (Y). The path coefficient value of the leverage variable (X_2) of -0,537 means that this variable has a negative relationship to the share price (Y). The path coefficient value of the firm size variable (X_3) of 0,439 means that this variable has a positive relationship to the share price (Y). The path coefficient value of the profitability moderation variable with CSR (X_1*Z) of -0,043 means that this variable has a negative relationship to the share price (Y). The path coefficient value of the moderating variable profitability with leverage (X_2*Z) of -0,616 means that this variable has a negative relationship to the share price (Y). The path coefficient value of the profitability moderation variable with firm size (X_3*Z) of 0,627 means that this variable has a positive relationship to share price (Y).

Table 7. Predictive Relevance (Q^2) Test Result

Latent Variable	Q^2
Y	0,102

Source: Software SmartPLS 3, 2024

Based on Table 7, it is known that the predictive relevance value of the endogenous latent variable is 0,102. This value is greater than 0, which means that the exogenous latent variables used to predict endogenous variables are correct.

Hypothesis Testing

Hypothesis testing conducted in this study used the bootstrapping method. According to Hair et al. (2022:182), bootstrapping is a resampling technique that takes random samples from the data with replacement, and uses these samples to repeat the path model estimation several times with little variation in the data. Figure 4 shows the graph of the bootstrapping test results.

Table 8. Hypothesis Test Result

Latent Variable	Original Sample	T-Statistic	P-Value
$X_1 \rightarrow Y$	-0,233	3,254	0,001
$X_2 \rightarrow Y$	-0,537	5,456	0,000
$X_3 \rightarrow Y$	0,439	3,908	0,000
$Z \rightarrow Y$	1,032	5,030	0,000
$X_1*Z \rightarrow Y$	-0,043	0,267	0,789
$X_2*Z \rightarrow Y$	-0,616	1,811	0,071
$X_3*Z \rightarrow Y$	0,627	2,925	0,004

Source: Software SmartPLS 3, 2024

In Table 8, the results of hypothesis testing between latent variables using bootstrapping are shown. Based on the results of the description above, the hypothesis testing analysis is as follows:

1. The results revealed an insignificant relationship between Corporate Social Responsibility (X_1) and share price (Y) as indicated by the original sample value of -0,233. The significance test results show a t-statistic value of 3,254 which exceeds the critical value for a two-tailed test of 1,96. In addition, the p-value is known to be 0,001 which meets the specified standard of <0,05. Therefore, hypothesis 1 (H_1) is accepted.
2. The results revealed an insignificant relationship between leverage (X_2) and share price (Y) which can be seen from the original sample value of -0,537. The significance test results show a t-statistic value of 5,456 which exceeds the critical value for a two-tailed test of 1,96. Meanwhile, the p-value is known to be 0,000, which means it meets the specified standard of <0,05. Therefore, hypothesis 2 (H_2) is accepted.

3. The results revealed a significant relationship between firm size (X_3) and share price (Y) as indicated by the original sample value of 0,493. The significance test results show a t-statistic value of 3,908 which exceeds the critical value for a two-tailed test of 1,96. In addition, the p-value is known to be 0,000 which meets the specified standard of $<0,05$. Therefore, hypothesis 3 (H_3) is accepted.
4. The results revealed a significant relationship between profitability (Z) and share price (Y) which can be seen from the original sample value of 1,032. The significance test results show a t-statistic value of 5,030 which has exceeded the two-tailed test critical value of 1,96. Meanwhile, the p-value is known to be 0,000, which means it meets the specified standard of $<0,05$. Therefore, hypothesis 4 (H_4) is accepted.
5. The results revealed an insignificant relationship between profitability moderation (Z) on Corporate Social Responsibility (X_1) and share price (Y) indicated by the original sample value of -0,043. The significance test results show a t-statistic value of 0,267 which does not meet the critical value for a two-tailed test of 1,96. In addition, the p-value is known to be 0,789 which has not met the specified standard of $<0,05$. Therefore, hypothesis 5 (H_5) is rejected.
6. The results revealed an insignificant relationship between profitability moderation (Z) on leverage (X_2) and share price (Y) as indicated by the original sample value of -0,616. The significance test results show a t-statistic value of 0,811 which has not met the critical value for two-tailed of 1,96. Meanwhile, the p-value is known to be 0,071 which has not met the specified standard of $<0,05$. Therefore, hypothesis 6 (H_6) is rejected.
7. The results revealed a significant relationship between profitability moderation (Z) on firm size (X_3) and share price (Y) as indicated by the original sample value of 0,627. The significance test results show a t-statistic value of 2,925 which has met the critical value for a two-tailed test of 1,96. Meanwhile, the p-value is known to be 0,004 which has met the specified standard of $<0,05$. Therefore, hypothesis 7 (H_7) is accepted.

DISCUSSION

The Effect of Corporate Social Responsibility (CSR) Disclosure on Share Price

Based on the results of hypothesis testing that has been done, it can be seen that the disclosure of Corporate Social Responsibility (CSR) affects the share price. Therefore, it can be concluded that hypothesis 1 (H_1) is acceptable. This means that good CSR disclosure can increase share prices. The results of this study are in accordance with research conducted by Ender & Brinckmann (2019), Tasnia et al. (2021), Wulandari et al. (2020), (Budiharjo et al., 2022), (Hafidzi & Qomariah, 2020), and (Praharawati et al., 2019) which state that CSR has a significant positive effect on share prices. CSR disclosure in a company is a form of corporate responsibility and ethics to its social environment. CSR disclosure will be able to influence investors in investing. CSR programs that are disclosed consistently will be able to maintain the company's going concern.

The Effect of Leverage on Share Price

Based on the results of hypothesis testing that has been carried out, it can be stated that leverage has an effect on share prices. Therefore, hypothesis 2 (H_2) can be accepted. This means that a good leverage policy can increase share prices. The results of this study are in line with research by Bangun & Natsir (2023), Natalia et al. (2020) and Aristaldo & Rahmiyati (2022) which state that leverage affects share prices. A developing company is characterized by a high level of leverage in the company. A high level of leverage is used to fulfill the company's operational funding. This makes the company's profits increase and also increases the company's share price.

The Effect of Firm Size on Share Price

Based on the results of hypothesis testing that has been carried out, it can be stated that firm size has an influence on share prices. Therefore, hypothesis 3 (H_3) can be accepted. This means that the larger the size of the company will be able to increase the share price. The results of this study are in accordance with research by Nasution & Sari (2020) which reveals that firm size has an influence on share prices. The results of testing hypothesis 3 are accepted because firm size is the size of the company which is a reference for an investor to invest in a company. The size of the company disclosed through the company's financial statements shows the company's total assets which is an indicator of the company's condition in the relevant year. Investors tend to be interested in companies with large sizes, because these companies are expected to have high returns as well.

The Effect of Profitability on Share Price

Based on the results of hypothesis testing that has been carried out, it can be seen that profitability has an influence on share prices. Therefore, hypothesis 4 (H_4) can be accepted. This means that the higher the level of profitability of a company will be able to increase the share price. The results of this study are in accordance with research by Utomo (2019), Hawa (2023), and Saprudin & Hasyim (2020) stating the results of testing profitability which has an influence on share prices. Profitability measures the company's profit level, so that if the company optimizes capital utilization, the company can maximize the return on investment to investors.

The Effect of Corporate Social Responsibility (CSR) on Share Price with Profitability as a Moderating Variable

Based on the results of hypothesis testing that has been carried out, it can be seen that profitability is not able to moderate the effect of Corporate Social Responsibility (CSR) on share prices. Therefore, hypothesis 5 (H_5) is rejected. The results of this study are in accordance with research by Saifudin & Nurhadi (2022) which has the result that profitability measured using Return on Equity (ROE) cannot moderate economic and social CSR disclosures on share prices. The reason for the insignificance of this relationship could be because investors do not only consider high profits on share investments. It is also influenced by several other considerations such as corporate governance, company value, and other considerations disclosed in the company's CSR that can weaken the company's share price. These considerations are used as a reference by investors to discourage their interest in investing in a company's shares.

The Effect of Leverage on Share Price with Profitability as a Moderating Variable

Based on the results of hypothesis testing that has been carried out, it can be stated that profitability is unable to moderate the effect of leverage on share prices. Therefore, hypothesis 6 (H_6) is rejected. The results of this study are in accordance with research by Aristaldo & Rahmiyati (2022) which reveals that profitability is unable to mediate the effect of leverage on share prices. Leverage has an influence that can weaken share prices, while profitability has an influence that can strengthen share prices. This relationship is not significant because it is caused by one factor, which is that investors ignore the company's profit level. Investors are also influenced by considerations of the company's leverage being too high, which has a high risk of bankruptcy and has the potential to weaken the company's share price. Therefore, companies need to evaluate the use of leverage so that it is not too high.

The Effect of Firm Size on Share Price with Profitability as a Moderating Variable

Based on the results of hypothesis testing that has been carried out, it can be stated that profitability is able to moderate the effect of firm size on share price. Therefore, hypothesis 7 (H_7) can be accepted. The results of this study have not been supported by other similar studies. The results of hypothesis 7 testing are accepted because profitability has a strong role in

influencing firm size on share price. Firm size and profitability can affect the increase in share price. Investors tend to choose to invest in companies that are large and have high profits, so investors will benefit from investing in these companies.

CONCLUSION

Based on the results of the research and analysis that has been carried out, it can be concluded as follows:

1. Corporate Social Responsibility (CSR) disclosure affects the share price, so the results of hypothesis 1 testing are accepted.
2. Leverage affects the share price, so the results of hypothesis 2 testing are accepted.
3. Firm size affects the share price, then the results of hypothesis testing 3 are accepted.
4. Profitability affects the share price, so the results of hypothesis testing 4 are accepted.
5. Profitability is not able to moderate the effect of Corporate Social Responsibility (CSR) on the share price, then the results of hypothesis 5 testing are accepted.
6. Profitability is not able to moderate the effect of leverage on the share price, so the results of hypothesis 6 testing are accepted.
7. Profitability is able to moderate the effect of firm size on the share price, then the results of hypothesis testing 7 are accepted.

SUGGESTION

Based on the research that has been done, there are suggestions that can be proposed by researchers, such as:

1. For further research, it is expected that this research can serve as a guide to expand the range of research by determining other supporting factors, namely by adding a variety of other variables that have a positive influence on share prices.
2. For further research, it is expected to be able to expand the research area, not only limited to LQ45 index companies.

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