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Financial Performance, Firm Size, Insider Ownership, Corporate Social Responsibility and Firm Value

(Case Study of Companies Registered on the Jakarta Islamic Index (JII) for the 2018-2021 Period)

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Abstract: This study aims to examine the effect of financial performance, firm size, managerial ownership and disclosure of corporate social responsibility on company value in companies listed on the Jakarta Islamic Index (JII) for the 2018-2021 period. The population of companies registered in the Jakarta Islamic Index totaled 49 companies and were selected using *Purposive Sampling Method* so as to produce a sample of 8 companies. This research is quantitative. The data collection method used is Library Research. The data used is secondary data obtained from the company's annual report which is found on the official website of the Indonesian Stock Exchange, namely www.idx.co.id. In addition, the analysis technique used is multiple linear regression analysis. The results of the study show that return on assets, current ratio, debt to equity ratio and firm size have an effect on firm value while insider ownership and corporate social responsibility have no effect on firm value.

Keywords: Return on Assets, Current Ratio, Debt to Equity Ratio, Firm Size, Insider Ownership, Corporate Social Responsibility, Firm Value

1. Introduction

Competitive advantage is an attribute that enables a company to outperform its competitors. Competitive advantage allows a company to achieve superior margins compared to its competitors and generate value for the company and its shareholders. Building a competitive advantage is one of the most important goals of any company, because in today's world competitive advantage is important for business success, without it a company will find it difficult to survive (Jihadi et al., 2021). Competitive advantage is maintained to achieve company goals, namely shareholder welfare which can be achieved by optimizing company value.

Firm value reflects the company's performance regarding its ability to obtain and grow its profits in the future which can affect investors' perceptions of the company (Mujiyati et al., 2022). Firm value can be influenced by several factors, the first of which is the company's financial performance. Financial performance reflects the company's ability to manage and allocate its resources. Good financial performance is the main consideration for investors in making investment decisions (Widagdo et al., 2020).

Another factor that can affect the value of the company is the size of the company.Company size is the total assets owned by a company (Zuhroh, 2019). In addition to financial performance and company size, another factor that can affect company value is managerial ownership. *Insider Ownership* or managerial ownership is the percentage of share ownership owned by management where the management directly participates actively in decision making (Siregar et al., 2019).

As for *Corporate Social Responsibility* which is also a factor that affects the value of the company. *Corporate Social Responsibility* is a management concept by which companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. *Corporate Social Responsibility* understood as the company's way of achieving a balance of economic, environmental and social interests while at the same time addressing the expectations of shareholders and stakeholders (Jihadi et al., 2021).

Research on firm value has been carried out by several previous researchers, including the first research conducted by Azizah & Widyawati (2019) which resulted in the findings: Return on Assets has an effect on firm value, Debt to Equity Ratio has an effect on firm value, Current Ratio has no effect on firm value, and company size has no effect on firm value. Subsequent research was conducted by Mandey et al., (2017) which yielded findings: Return on Assets has an effect on firm value, Debt to Equity Ratio has an effect on firm value, and Insider Ownership has an effect on firm value. Research on firm value is also conducted by Kusumawati & Setiawan (2019) which resulted in the findings: *Managerial ownership* influence firm value, profitability affects firm value, *Company Growth* does not affect firm value, liquidity does not affect firm value, *Institusional ownership* does not affect the value of the company. Research on firm value is also conducted by Fuadah & Kalsum (2021) which resulted in the findings: *Corporate Social Responsibility* has an effect on firm value, *Tax*

Aggressiveness does not affect the value of the company.

Based on the previous research stated in the background above, a research gap was found, so that researchers were asked to conduct further research related to company value. This study replicates the research conducted by Azizah & Widyawati (2019) by replacing the research object, namely companies that are included in the calculation of the Jakarta Islamic Index, adding *insider ownership* variable referring to research Mandey et al., (2017) as well as adding *corporate social responsibility* variable referring to research Machmuddah et al., (2020) with the title: "Financial Performance, Firm Size, Insider Ownership, Corporate Social Responsibility and Firm Value (Case Study of Companies Registered on the Jakarta Islamic Index (JII) Period 2018-2021)"

2. Literature Review and Hypothesis

Jakarta Islamic Index

Jakarta Islamic Index (JII) is one of the sharia stock indices on the Indonesia Stock Exchange which consists of the 30 most liquid stocks and the largest capitalization value that meets the sharia criteria set by the National Sharia Council. Stocks that have liquid conditions will be the choice of investors when investing in a company because they are considered to be able to provide returns as expected by investors. The stocks that investors choose are usually liquid stocks, have good fundamentals and are easy to trade so as to minimize the risk of losses that investors will face (Puspa Juwita & Diana, 2020). This index is used as a benchmark to measure the performance of a sharia stock investment. Through this index, it is hoped that investor confidence will increase to develop their investment in the sharia sector (Indonesia Stock Exchange, 2022).

Signalling Theory

Signaling Theory is a theory that explains the relationship between management who provides information or signals about the company and investors' perceptions of the information provided by management (Mujiyati et al., 2022). Signals submitted are in the form of financial reports or annual reports by management as a form of information whether something has been done in accordance with the terms of the contract or not (Widagdo et al., 2020). A good and positive signal is a reflection that the company has experienced improvement and growth in terms of income in the industrial world which is reflected in the increase in share trading volume and investor interest in related companies, so that the company's value will also increase (Atiningsih et al., 2020).

Agency Theory

Agency theory according to Jensen & Meckling (1976) describes the relationship between principals and agents that can lead to agency conflicts. The agent's behavior only benefits them by violating the interests of others. This happens because the manager has complete information about the company, while the company owner doesn't know this information, resulting in asymmetric information. Asymmetric information and self-serving behavior by agents allow them to make decisions and policies that are unfavorable to the company. This results in unhealthy corporate governance due to a lack of transparency from management to disclose the results of their performance to the principal as the owner of the company. Eisenhardt (1988) argued that agency theory is a theory that offers a perspective that understands conflicts of interest between principals and agents that cause agency problems that can be reduced through governance mechanisms (Fuadah & Kalsum, 2021).

Stakeholder Theory

Freeman and Reed (1983) revealed that stakeholders are all groups or individuals who can be identified as influencing the achievement of organizational goals. Stakeholder theory argues that successful companies depend on their ability to meet stakeholder expectations and satisfy diverse information needs (Gray et al., 1995). Based on this perspective, information about corporate social responsibility is the main element that can be used by companies to manage various stakeholders, including consumers, investors, legislators, suppliers, non-governmental organizations, and so on. Thus, they get support from stakeholders (Fuadah & Kalsum, 2021).

Firm Value

Firm value is the price potential investors are willing to pay if a company is to be sold. Firm value reflects the company's performance regarding its ability to obtain and grow its profits in the future which can affect investors' perceptions of the company (Mujiyati et al., 2022). Investors can use the company's value as a basis to see the company's performance in the future, where the company's value is often associated with stock prices. Investors will benefit if the company's stock price is high. Maximizing the value of the company is very important for a corporate entity because maximizing the value of the company also means providing prosperity to shareholders (Kusumawati & Setiawan, 2019). Investors who judge that a company has good prospects in the future, tend to buy the company's shares. As a result, high demand for shares causes stock prices to be higher because investors provide high value to the company. So that the higher the company value, the higher the interest of investors in making investment decisions (Fuadah & Kalsum, 2021).

Financial Performance

Financial performance according to IAI (2016) is a company's ability to manage and control its resources. The measuring instrument used in assessing financial performance in this study is the financial ratio method. Financial ratio analysis is done by comparing two items in the financial statements. According to (Brigham & Houston, 2010; El Dalabeeh, 2013) there are four financial ratios that can be used in analyzing a company's financial statements, which are as follows:

Liquidity Ratio

The liquidity ratio is a ratio that describes a company's ability to meet short-term obligations (debt). This ratio is reflected by *Current Ratio* (CR). *Current Ratio* (CR) is the ratio between the total current assets and liabilities owned by the company.

Solvency Ratio or Leverage

The Solvency Ratio or Leverage is the ratio used to measure the extent to which a company's assets are financed with debt. The Solvency or Leverage Ratio is reflected by *Debt to Equity Ratio* (DER). This ratio is a comparison of the company's total liabilities with its shareholders' equity.

Activity Ratio

Activity ratio is the ratio used to measure the effectiveness of a company by using its assets.

Profitability Ratio

Profitability ratios show how well a company utilizes its assets to generate profit and shareholder value. The profitability ratio is reflected by *Return on Assets* (ROA). *Return on Assets* (ROA) is a profitability ratio that gives an idea of how much profit a company can generate from its assets.

Firm Size

Firm size is a scale that classifies company size using various modes: total assets, log size, share market value, total sales and at cetera. The higher company’s total assets and sales indicate a turnover of funds in the company. The higher the total assets, the greater the capital invested by the company. Based on this description, it can be stated that company size is the number of assets owned by the company (Zuhroh, 2019). Firm size is a reflection of a company's high commitment to always improve its performance, so that the market will be willing to pay more to get its shares because the market believes it will get a profitable return from the company (Zuhroh, 2019). Companies with high asset values tend to have stable conditions. Companies with a large scale have more profits and a high rate of return on assets than small companies because they have a larger market share so that companies with a large scale have the opportunity to earn more profits. Companies with high asset values also tend to have stable conditions. So that the bigger a company, the more investors pay attention to it where this improves the company's image in the investor market (Atiningsih et al., 2020).

Insider Ownership

Insider Ownership or managerial ownership is the percentage of share ownership owned by management where the management directly participates actively in decision making. The higher the presentation *insider ownership* the higher the involvement of management in increasing company value (Siregar et al., 2019). Company managers in managing company operations must be in accordance with what has been determined and planned in achieving company goals. Managers have very important authority in deciding an action. Managers who own shares in the company they lead tend to maximize and optimize the value of the company's shares. This is in line with the interests of the company which expects high corporate value if the share value is high (Kusumawati & Setiawan, 2019).

Corporate Social Responsibility

Corporate Social Responsibility is a management concept by which companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. Corporate Social Responsibility is understood as a way for companies to achieve a balance of economic, environmental and social interests while at the same time addressing the expectations of shareholders and stakeholders (Jihadi et al., 2021). Companies that disclose corporate social responsibility information in annual reports or in sustainability reports are considered to have more value because it means the company is also responsible for the negative impacts caused by the company's operational activities. Thus, if a company discloses corporate social responsibility activities optimally it will trigger an increase in investment opportunities. Because, in making investment decisions apart from considering financial factors, investors also tend to pay attention to companies that have good business ethics and show social responsibility to all stakeholdersas a form of concern for environmental impacts due to company activities that have an impact on increasing its value (Machmuddah et.al., 2020).

Hypothesis
H1: Return on Assets has an effect on Firm Value
H2: Current Ratio has an effect on Firm Value
H3: Debt to Equity Ratio has an effect on Firm Value
H4: Company size has an effect on Firm Value
H5: Insider Ownership has an effect on Firm Value
H6: Corporate Social Responsibility has an effect on Firm Value

3. Methodology

The type of research that will be carried out by researchers is quantitative research and the data that will be used by researchers to analyze the problems in this study are secondary data. The data in this study are annual report related companies that are sampled in this study, where the source of data in this study was obtained through the Indonesian Stock Exchange website, namely www.idx.co.id as well as the website of each company that became the research sample. The data collection method used is library research or literature study. Library Research is a method of collecting data by examining books, literature, records, the internet and reports related to the problem to be solved by the researcher (Rahman et al., 2019). The population in this study were companies listed on the Jakarta Islamic Index (JII) consecutively in the 2018-2021 period, namely a total of 30 companies with a sample of 8 companies that the researchers had selected using *Purposive Sampling Method* with the following criteria:

1. Companies listed on the Jakarta Islamic Index (JII) consecutively in the period 2018 to 2021
2. Companies that do not enter and exit in the calculation of shares in *Jakarta Islamic Index* (JII) during the observation period from 2018 to 2021
3. Companies that do not experience losses during the observation period from 2018 to 2021
4. Companies that include the amount of managerial ownership in their financial statements during the observation period from 2018 to 2021
5. Companies that include information related to corporate social responsibility during the observation period from 2018 to 2021
6. Companies that report their financial statements using the rupiah currency during the observation period from 2018-2021

Based on the criteria above, a sample of companies is obtained as follows:
Sample Research Firms

No	Stock Code	Issuer Name
1	ANTM	Aneka Tambang Tbk.
2	INDF	Indofood Sukses Makmur Tbk.
3	KLBF	Kalbe Farma Tbk.
4	PTBA	Bukit Asam Tbk.
5	TLKM	Telekomunikasi Indonesia (Persero) Tbk.
6	UNTR	United Tractors Tbk.
7	UNVR	Unilever Indonesia Tbk.
8	WIKA	Wijaya Karya (Persero) Tbk.

Source: Data Processed by Researchers

Variable Measurement

Variable	Indicator	Source
Firm Value	**PBV** = $\frac{Earningspershare}{Bookvaluepershare}$	(Azizah & Widyawati, 2019)
Return on Assets	**ROA** = $\frac{ProfitAfterTax}{Totalassets}$ X 100%	(Azizah & Widyawati, 2019)
Current Ratio	**CR** = $\frac{TotalCurrentAssets}{CurrentLiability}$ X 100%	(Azizah & Widyawati, 2019)
Debt to Equity Ratio	**DER** = $\frac{TotalAmountofDebt}{TotalEquity}$	(Azizah & Widyawati, 2019)

Firm Size	**Size = Ln (Total Assets)**	(Azizah & Widyawati, 2019)
Insider Ownership	**MNGR** = $\frac{DirectorsShare+ComissionerShare}{OutstandingShare}$x100%	(Mandey et al., 2017)
Corporate Social Responsibility (CSR)	**CSRDI** = xj/89	Machmuddah, Sari & Utomo (2020)

4. Results and Discussion

Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Return on Assets	32	,00	,47	,1239	,11032
Current Ratio	32	,61	4,66	1,7432	1,15260
Debt to Equity Ratio	32	,19	3,41	1,1718	,98583
Size	32	30,53	33,26	31,6332	,89458
Insider Ownership	32	,0000012990	,0028133646	,000383113388	,0008261534060
CSRDi	32	,13	,74	,3954	,15170
PBV	32	,57	60,67	7,9961	16,47923
Valid N (listwise)	32				

Source: SPSS Output, 2023

Based on the results of data processing through descriptive statistical tests in the table above, it shows that in this study the profitability variable proxied by Return on Assets (ROA) has a minimum value of 0.00 then a maximum value of 0.47, an average value of 0.1239 and a standard deviation of 0.11032. The liquidity variable which is proxied by the Current Ratio (CR) has a minimum value of 0.61 then a maximum value of 4.66 with an average value of 1.7432 and a standard deviation of 1.15260. Furthermore, the solvency/leverage variable proxied by the Debt to Equity Ratio (DER) has a minimum value of 0.19 then a maximum value of 3.41 with an average value of 1.1718 and a standard deviation of 0.98583. Then the company size variable which is proxied using LN (total assets) has a minimum value of 30.53 then a maximum value of 33.26 with an average value 31,6332 as well as a standard deviation of 0,89458. The next independent variable is Insider Ownership which has a minimum value of 0,0000012990 then the maximum value is 0,0028133646 with an average value of 0,000383113388 as well as a standard deviation of 0,0008261534060. Then the last independent variable is Corporate Social Responsibility (CSR) which has a minimum value of 0,13 then the maximum value is 0,74 with an average value of 0,3954 as well as a standard deviation of0,15170. Meanwhile, the dependent variable of this research is the company's value proxied by Price to Book Value, which has a minimum value of 0,57 then the maximum value is 60,67 with an average value of 7.9961 as well as a standard deviation of 16,47923.

Classic Assumption Test

Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		32
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	5,15499141
Most Extreme Differences	Absolute	,076
	Positive	,076
	Negative	-,054
Test Statistic		,076
Asymp. Sig. (2-tailed)		,200[c,d]

Source: SPSS Output, 2023

From the results of data processing above, it can be concluded that the distribution of data in the study is normal. This can be seen from the results of the One-Sample Kolmogorov-Smirnov Test where the value of Sig > 0.05 that is 0.200.

Multicollinearity Test

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Return on Assets	,632	1,583
	Current Ratio	,177	5,654
	Debt to Equity Ratio	,445	2,249
	Size	,407	2,456
	Insider Ownership	,346	2,889
	CSRDi	,767	1,304

Source: SPSS Output, 2023

From the results of data processing above, it can be concluded that there are no symptoms of multicollinearity in the regression equation model so that the data can be used in this study. This is indicated by the value *collinearity tolerance* > 0.1 and value *statistics VIF* <10.

Heteroscedastisity Test

Correlations		
		Sig. (2-tailed)
Spearman's rho	Return on Assets	0,567
	Current Ratio	0,976
	Debt to Equity Ratio	0,645
	Size	0,828
	Insider Ownership	0,870
	CSRDi	0,726

Source: SPSS Output, 2023

Based on the results of data processing above through the *spearman's rho* test, it can be concluded that there were no symptoms of heteroscedasticity in the research data. This can be seen from the value of Sig. (2-tailed) for each variable, where the value of Sig. (2-tailed) > 0.05.

Autocorellation Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,950[a]	,902	,879	5,74036	2,079

Source: SPSS Output, 2023

Based on the results of the data processing above, it can be concluded that the data used is free from autocorrelation symptoms. This can be seen from the *Durbin-Watson* value that is equal to 2.079. Where the number of independent variables used in this study amounted to 6 variables, and the total amount of data was 32 data. Data free from autocorrelation must meet the requirements, namely dU< DW < 4-dU. If seen from the *Durbin-Watson* table show that d-*upper* is 1.909 so that 1.909 < 2.079 < 2.091 which means the data is free from autocorrelation symptoms.

Multiple Linear Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1	(Constant)	174,552	62,066		2,812	,009
	Return on Assets	91,848	11,758	,615	7,811	,000
	Current Ratio	-5,310	2,127	-,371	-2,497	,019
	Debt to Equity Ratio	3,422	1,569	,205	2,182	,039

	Size	-5,317	1,806	-,289	-2,944	,007
	Insider Ownership	2665,510	2121,159	,134	1,257	,221
	CSRDi	-13,924	7,761	-,128	-1,794	,085

Source: SPSS Output, 2023

Based on the results of the data processing above, a regression equation can be formulated to determine the effect of the independent variables on the dependent variable with the following formula:

PBV = 174.552 + 0.615 ROA – 0.371 CR + 0.205 DER – 0.289 Size + 0.134 MNGR – 0.128 CSRDI

Where:

PBV	: The value of the company
ROA	: Profitability
CR	: Liquidity
DER	: Solvability
Size	: Company Size
MNGR	: Insider Ownership
CSRDI	: Corporate Social Responsibility

The regression equation can be interpreted as follows:

1. Constant, the constant value in the regression equation is equal to 174.552. This indicates that if it is assumed that the independent variable is zero, then the firm value variable tends to increase by 174.552.
2. Return on Assets value is equal to 0.615. This indicates that any increase in *Return on Assets* with amount of Rp. 1, will increase the value of the company by Rp. 0.615 assuming other variables have a fixed value.
3. The Current Ratio value is -0.371. This indicates that any increase in *Current Ratio* with amount of Rp. 1, will reduce the value of the company by Rp. 0.371 assuming other variables have a fixed value.
4. The Debt to Equity Ratio value is 0.205. This indicates that any increase in *Debt to Equity Ratio* with amount of Rp. 1, will increase the value of the company by Rp. 0.205 assuming other variables have a fixed value.
5. The value of Firm Size is -0.289. This shows that every increase in company size with amount of Rp. 1, will reduce the value of the company by Rp. 0.289 assuming other variables have a fixed value.
6. The Insider Ownership value is 0.134. This indicates that any increase in *Insider Ownership* with amount of Rp. 1, will increase the value of the company by Rp. 0.134 assuming other variables have a fixed value.
7. The value of Corporate Social Responsibility is -0.128. This indicates that any increase in *Corporate Social Responsibility* with amount of Rp. 1, will reduce the value of the company by Rp. 0.128 assuming other variables have a fixed value.

Hypothesis testing

F Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7594,725	6	1265,787	38,413	,000[b]
	Residual	823,792	25	32,952		
	Total	8418,517	31			

Source: SPSS Output, 2023

From the ANOVA test above, it can be concluded that the variables of profitability, liquidity, solvency, firm size, insider ownership and corporate social responsibility simultaneously influence firm value. This can be seen from the value of Sig. where if the value of Sig. <0.05 means that simultaneously the independent variables affect the dependent variable.

t Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	174,552	62,066		2,812	,009
	Return on Assets	91,848	11,758	,615	7,811	,000
	Current Ratio	-5,310	2,127	-,371	-2,497	,019
	Debt to Equity Ratio	3,422	1,569	,205	2,182	,039
	Size	-5,317	1,806	-,289	-2,944	,007
	Insider Ownership	2665,510	2121,159	,134	1,257	,221
	CSRDi	-13,924	7,761	-,128	-1,794	,085

Source: SPSS Output, 2023

The results of the data processing above show the results of the partial test between the dependent variable and the independent variable. The independent variable partially influences the dependent variable if it has a Sig value. < 0.05. So it can be concluded that the Return on Assets partially affects firm value, the Current Ratio variable partially influences firm value, the Debt to Equity Ratio variable partially influences firm value, the firm size variable partially influences firm value, *insider ownership* partially does not affect the value of the company and *corporate social responsibility* partially does not affect the value of the company.

Coefficient Determination Test (R^2)

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,950[a]	,902	,879	5,74036

Source: SPSS Output, 2023

Based on the results of data processing above shows the *adjusted R square* value is 0.879 which means that the independent variable is able to explain the dependent variable of 87.9% or in other words 87.9% of firm value can be explained by the variables of profitability, liquidity, solvency, firm size, insider ownership and corporate social responsibility while the remaining 12 .1% is explained by other factors outside of these things.

Discussion

Effect of Return on Assets on Firm Value

From the results of the analysis above, it can be seen that the significance value of Return on Assets is 0.000 and less than 0.05, which means that Return on Assets affects firm value. Profits provide signals or information about company profits where high profits will increase investor confidence to invest in companies that have an impact on increasing company value. The results of this study are in line with the results of research conducted by Azizah & Widyawati (2019), Dewi & Abundanti (2019), Jihadi et al., (2021), Mandey et al., (2017) where profitability affects firm value. So, the higher the profitability of a company, the higher the value of the company (Azizah & Widyawati, 2019)

Effect of Current Ratio on Firm Value

From the results of the analysis above, it can be seen that the significance value of the Current Ratio is 0.019 and less than 0.05, which means that the Current Ratio has an effect on firm value. The higher *current ratio* minimizes the company's failure to meet short-term financial obligations to creditors and vice versa. The higher *current ratio* the higher the efficiency of the company in utilizing its assets which will affect the interest of investors to invest their funds which has an impact on increasing the value of the company (Salanti, 2019). The results of this study are in line with the results of research conducted by Jihadi et al., (2021), Sondakh, (2019) and Wangsawinangun Rizki et al., (2018) where the Current Ratio affects company value. So that the higher the liquidity ratio of a company, the higher the company's liabilities are borne by current assets where this increases public trust in the company (Jihadi et al., 2021).

Effect of Debt to Equity Ratio on Firm Value

From the results of the analysis above, it can be seen that the significance value of the Debt to Equity Ratio is 0.039 and less than 0.05, which means that the Debt to Equity Ratio has an effect on firm value. Leverage provides an indication of a company's risk and financial viability. The use of leverage is able to increase the value of the company because the greater the level of leverage, the greater the level of funding provided by creditors and the greater the safety limit for borrowers in the event of a loss or depreciation of asset values. This will certainly affect investors' decisions, where investors will certainly choose a high company debt to equity ratio because it reflects the small financial risk borne by the company which has an impact on increasing company value. The results of this study are in line with the results of research conducted by Azizah & Widyawati, (2019), Jihadi et al., (2021), Mandey et al., (2017) and Rizkia Chudri and Zulkifli Umar (2019) where the Debt to Equity Ratio affects the value of the company. So the higher the Debt to Equity Ratio, the higher the company value (Jihadi et al., 2021).

Effect of Firm Size on Firm Value

From the results of the analysis above, it can be seen that the significance value of company size is 0.007 and less than 0.05, which means that company size has an effect on firm value. Large companies tend to have stable conditions. The company's stable condition causes a high demand for shares which results in an increase in the company's share price in the capital market because investors have expectations in the form of obtaining large dividends for large companies. This increase makes the company considered to have greater value. The results of this study are in line with the results of research conducted by Husna & Satria (2019) and Rizkia Chudri and Zulkifli Umar (2019) where the size of the company affects the value of the company. So that the greater the total assets of a company, the higher the value of the company (Rizkia Chudri and Zulkifli Umar., 2019).

The Effect of Insider Ownership on Firm Value

From the results of the analysis above, it can be seen that the significance value of Insider Ownership is 0.221 and more than 0.05, which means that there is no relationship between Insider Ownership and company value. This is due to the minimum percentage of company managerial ownership. The minimal percentage of management ownership indicates that management only wants to maximize self-utility rather than achieving overall company goals. The results of this study are in line with the results of research conducted by Siregar & Pambudi, (2019) where Insider Ownership has no effect on firm value. Managers as a controlling mechanism in preparing financial reports have little influence on the market so that the company's value does not increase (Siregar & Pambudi, 2019).

The Effect of Corporate Social Responsibility on Company Value

From the results of the analysis above, it can be seen that the significance value of Corporate Social Responsibility is 0.085 and more than 0.05, which means that there is no relationship between Corporate Social Responsibility and company value. Many investors still doubt the truth of corporate social responsibility disclosure, whether the company actually does it or not. Investors consider that decision making based on disclosure of corporate social responsibility is less relevant. This causes the disclosure of corporate social responsibility does not affect the value of the company. The results of this study are in line with the results of research conducted by Pristianingrum (2017) and Putri & Mardenia (2019) where Corporate Social Responsibility has no effect on company value.

5. Conclusion

This study aims to examine the effect of Return on Assets, Current Ratio, Debt to Equity Ratio, Firm Size, Insider Ownership and Corporate Social Responsibility on Firm Value in companies listed on the Jakarta Islamic Index (JII) for the 2018-2021 period. Based on data that has been processed by researchers, it can be concluded that Return on Assets has an effect on firm value, Current Ratio has an effect on firm value, Debt to Equity Ratio has an effect on firm value, company size has an effect on firm value, Insider Ownership has no effect on firm value and Corporate Social Responsibility has no effect on company value.

The limitations of this study are that the research object used is only limited to companies registered on the Jakarta Islamic Index (JII), a limited research year 2018-2021 and company value proxied by Price to Book Value is considered less relevant because Price to Book Value is only useful for capital-intensive companies, Price to Book Value is also less relevant for companies with high debt and the Price to Book Value is very easily influenced by assets so this shows that the Price to Book Value does not always show the actual financial condition of the company. For future researchers, it is suggested to update the broader research object so that the research results can be generalized, update the year of research that is relevant to the existing conditions, and future researchers are expected to be able to use another proxy of company value which can show the company's actual financial condition, such as using Tobins' Q and Price Earnings Ratio.

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