Analysis of CSR and Firm Characteristics on the Value of Manufacturing Companies Listed on the Indonesia Stock Exchange

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Abstract
This study examines the impact of Corporate Social Responsibility (CSR) and firm characteristics on firm value in manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2023 period. Firm value is proxied by Price to Book Value (PBV), while firm characteristics include firm size, leverage, and firm growth. CSR is measured using a disclosure index based on the Global Reporting Initiative (GRI) framework. The population in this study were manufacturing companies listed on the Indonesia Stock Exchange, with a sample of 59 companies with 295 firm-year observations. Hypothesis testing using robust regression analysis. The results showed that firm size and leverage have a positive and significant effect on firm value, indicating that financial strength and capital structure remain dominant signals for investors in emerging markets. In contrast, CSR disclosure and firm growth do not significantly influence firm value, suggesting that CSR reporting has not yet been perceived as value-relevant information by the capital market. This study contributes to the literature by providing recent empirical evidence from an emerging market context, highlighting the limited role of CSR disclosure in enhancing firm value compared to financial characteristics. The results offer important insights for managers, investors, and regulators regarding the strategic relevance of CSR implementation and disclosure quality.

1. Introduction

Company value is an important indicator reflecting investor perceptions of a company's performance and future prospects. A high company value indicates that the market positively assesses the company's ability to generate profits and create wealth for shareholders. Therefore, increasing company value is one of management's primary goals in conducting its business activities. In the capital market context, company value is measured using market-based

indicators such as Price to Book Value, which reflects the comparison between a company's market value and its book value.

In recent years, investors' attention has not only been focused on the company's financial performance, but also on the aspects of sustainability and corporate social responsibility. Companies are required to not only be profit-oriented, but also pay attention to the social and environmental impact of their operational activities. The concept of Corporate Social Responsibility (CSR) is one of the approaches used by companies to show their commitment to sustainable development. In addition to CSR, company characteristics are also believed to affect the company's value.

One of these characteristics is firm size. Companies with larger sizes generally have stronger resources, a higher level of stability, and wider access to funding sources. This condition can increase investor confidence in the company so that it has an impact on increasing the company's value (Dwi & Aqamal Haq, 2023). Another factor that also plays a role in determining the value of the company is leverage. Leverage indicates the extent to which a company uses debt in its funding structure (Ernawati & Santoso, 2021). Based on Agency Theory, the use of debt can function as a control mechanism for management due to the obligation to pay interest and principal debts. However, the use of debt that is too high can also increase the company's financial risk so that it can reduce investors' perception of the company's value. In addition, firm growth is also an important indicator that reflects the company's future prospects. Companies with high growth rates generally have greater investment opportunities that make them more attractive to investors. Based on the Signaling Theory, the growth of a company can be a positive signal to the market regarding the company's future prospects which can ultimately increase the value of the company.

This research focuses on manufacturing companies listed on the Indonesia Stock Exchange (IDX). The manufacturing sector was chosen because it is one of the sectors that has a significant contribution to the national economy and has a relatively large number of companies in the Indonesian capital market. In addition, the operational activities of manufacturing companies generally have a greater social and environmental impact than other sectors, so CSR issues become very relevant in this sector. With these characteristics, the manufacturing sector is the right context to examine the influence of CSR and company characteristics on company value (Masruri, 2023).

In addition, some studies show that firm size has a positive effect on a company's value because large companies have better access to funding and a higher level of stability (Alabdulkarim et al. 2024) However, other studies show different results depending on the industry context and market conditions. Most studies have found a positive influence of growth on firm value, because the growth prospects reflect future profit expectations (Baihaqi & Murtanto, 2023; Firdaus & Mildawati, 2022). However, there are studies that have found an insignificant effect (Hergianti & Retnani, 2020), especially in companies whose growth is unstable or unsustainable. So there is still an empirical gap related to the factors that affect the value of the company,

especially in the context of manufacturing companies in developing countries such as Indonesia. Therefore further empirical testing is still needed. Based on this description, this study aims to analyze the influence of Corporate Social Responsibility, company size, leverage, and company growth on company value in manufacturing companies listed on the Indonesia Stock Exchange for the 2019–2023 period.

2. Literature Review and Hypothesis Development

2.1. Theoritical background

The signaling theory explains that the firm's management has better information about the firm's condition and prospects than external parties, especially investors, so signals are needed to reduce information asymmetry in the capital market (Connelly et al., 2024). These signals can be conveyed through various information disclosed by the firm, both financial and non-financial information (Ridhasyah et al., 2024).

2.2. Firm Value

Price-to-Book Value (PBV) is a valuation measure commonly used in the Indonesian capital market literature to assess how the market appreciates a firm's book equity, especially in manufacturing companies that have significant physical assets. PBV is sensitive to growth expectations and asset/report quality; therefore PBV is suitable to be used to test whether CSR signals and firm characteristics (size, leverage, growth) are reflected in market valuations. However, its use must be accompanied by controls for macro variables and financial performance in order for the interpretation of the relationship to remain valid.

2.3. CSR and Firm Values

Corporate Social Responsibility (CSR) is a company's commitment to carry out business activities ethically by paying attention to the economic, social, and environmental impacts of the company's operational activities. In practice, companies are not only required to generate profits for shareholders, but are also expected to be able to provide benefits to various stakeholders, including society, employees, consumers, and the environment. The relationship between CSR and company values can also be explained through Signaling Theory. In market conditions that have information asymmetry, investors do not always have complete information about the company's internal conditions. Therefore, companies can signal to the market through a variety of published information, including the disclosure of CSR activities. CSR disclosure can be a positive signal that shows that the company has a commitment to sustainability, good governance, and more stable long-term prospects. These positive signals can increase investor confidence thereby encouraging an increase in demand for company shares which ultimately increases the company's value in the market.

A number of empirical studies also show that CSR has a positive influence on company value. Research conducted by Chen and Lee (2017) shows that companies that have a higher level of CSR disclosure tend to have higher corporate value because they gain greater trust from

investors. Other research conducted by Siregar et al. (2018) and Lestari et al. (2022) also found that CSR activities can improve a company's reputation as well as strengthen the company's relationship with stakeholders, which ultimately has an impact on increasing the company's value. Based on the theoretical explanation and findings of previous research, it can be assumed that the implementation and disclosure of CSR can provide positive signals to investors and increase stakeholder trust in the company. This condition has the potential to increase demand for company shares and ultimately increase the company's value. Thus, the hypotheses proposed in this study is:

H1: Corporate Social Responsibility has a positive effect on firm value.

2.4 Firm Size and Firm Value

The relationship between company size and company value can be explained through Signaling Theory. In this theory, the size of the company can be a signal to investors regarding the strength and stability of the company. Companies with larger sizes tend to be perceived as having lower risks and better ability to deal with economic uncertainty. Therefore, the size of the company can give a positive signal to investors regarding the company's future prospects. In addition, larger companies typically have easier access to external sources of funding, either through capital markets or financial institutions. The ability to obtain such funding allows companies to expand their business, increase production capacity, and expand market share which can ultimately improve the company's performance and company value in the capital market.

A number of empirical studies have also found that the size of a company has an effect on the value of the company. Research conducted by Gill and Obradovich (2012) found that company size has a positive influence on company value because larger companies tend to have higher levels of investor confidence. Other research conducted by Adiputra and Hermawan (2020) also shows that company size can increase company value because larger companies have better ability to manage resources and investment opportunities. Based on this description, it can be concluded that the size of the company can give a positive signal to investors regarding the stability and prospects of the company so that it has the potential to increase the company's value. Thus, the hypothesis proposed is:

H2: Firm size has a positive effect on firm value.

2.5 Leverage and Firm Value

The relationship between leverage and company value can be explained through Agency Theory. According to this theory, the use of debt can function as a control mechanism for management. The existence of interest and principal debt payment obligations can encourage management to work more efficiently and disciplined in managing company resources. Thus, the optimal use of debt can improve the company's performance and ultimately increase the company's value.

Some empirical research shows that leverage has an influence on a company's value. Research conducted by Modigliani and Miller (1963) shows that the use of debt can increase the value of a company through the tax benefits of debt interest. Another study conducted by Gill and Obradovich (2012) also found that leverage has an influence on a company's value because the right capital structure can improve the performance and value of a company in the capital market. Based on this explanation, the optimal use of leverage can increase the efficiency of company management and provide tax benefits that ultimately have the potential to increase the company's value. Thus, the hypothesis proposed is:

H3: Leverage has a positive effect on firm value.

2.6 Firm Growth and Firm Value

The company's growth reflects the company's ability to increase its operational activities and expand its business over time. Company growth can be measured through the growth of assets, sales, and company profit. Companies with high growth rates are generally perceived to have greater investment opportunities as well as better prospects for the future. The relationship between a company's growth and a company's value can be explained through Signaling Theory. In conditions of information asymmetry, investors do not always have complete information about the company's prospects. Therefore, the company's growth rate can be a positive signal for investors regarding the company's ability to develop its business and create value in the future. Companies with high growth rates also tend to have greater investment opportunities as well as the potential for increased profits in the future. This condition can increase investor confidence in the company, thereby increasing demand for company shares in the capital market. The increase in demand for stocks can ultimately increase the stock price and the value of the company.

A number of empirical studies also support the relationship between company growth and company value. Research conducted by Fama and French (1998) shows that companies with high growth opportunities tend to have higher company values. Another study conducted by Hermuningsih (2013) also found that company growth has a positive effect on company value because it reflects future prospects and profit potential. Based on this explanation, it can be concluded that companies that have a high growth rate will give positive signals to investors regarding the company's prospects so that it has the potential to increase the company's value. Thus, the hypothesis proposed is:

H4: Firm growth has a positive effect on firm value.

2.8 Research conceptual framework

The influence of CSR Disclosure, firm size, leverage and firm growth can be described in the following research conceptual framework:
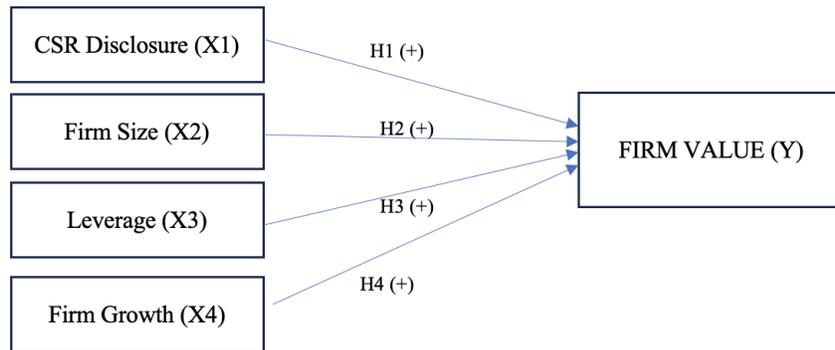
Figure 1 : Research Framework Concept

3. Method

3.1. Population and Sample

The population in this study is all manufacturing companies that go public on the IDX in 2019-2023, namely 164 companies. The sample was selected using the purposive sampling method with several criteria, namely those who publish complete financial statements, do not suffer losses, and do not delist. The total sample was 59 companies, the research period was 5 years, so there were 295 observations.

3.2. Research Variables

In this study, the dependent variables are the firm's value, while the independent variables are CSR, firm size, leverage and firm growth. The following table shows the measurements of each variable:

Table 1. Variable Measurement

No	Variable	Notation	Measurement
1	Firm value	PBV	$\dfrac{Stock\ price\ per\ share}{Book\ value\ per\ share}$
2	Corporate Social Responsibility	CSR	$CSRI = \dfrac{\sum Xi}{Ni}$
3	Firm size	SIZE	$Stock\ Price\ x\ Number\ of\ shares\ outstanding$
4	Leverage	DAR	$\dfrac{Total\ Liabilities}{Total\ Assets}$
5	Firm growth	GROWTH	$\dfrac{Net\ profit\ this\ year - net\ profit\ last\ year}{Last\ year's\ net\ profit}$

3.3 Data Analysis

To test the hypothesis, this study will use robust regression analysis with a significance level of 0.05, with the provision that if the t-test produces a significance value <0.05, then the hypothesis

is accepted, and if the significance value> 0.05 then the hypothesis is rejected. The following is the robust regression equation:

$$FirmValue_{it} = \alpha + \beta_1 CSR_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 GROWTH_{it} + \varepsilon_{it}$$

4. Results

4.1 Descriptive Statistics

Table 2. Descriptive Statistic

Variables	N	Min	Max	Mean	Std. Deviation
CSR	295	0,08	0,69	0,37	0,154
SIZE	295	24,74	33,40	29,09	2,065
LEVERAGE	295	0,00	2,08	0,36	0,223
GROWTH	295	-0,97	10,75	0,35	1,294
PBV	295	0,06	60,67	3,01	6,605

Table 1 above describes the dependent and independent variables in this study. The number of observations is 295 manufacturing companies that go public on the IDX for the 2019-2023 period.

4.2. Classical Assumption Test

The multicollinearity test aims to determine whether the regression model finds a correlation between independent variables (Ghozali, 2018). From the test results, it is known that the tolerance value of all independent variables is greater than 0.10, while the VIF value is less than 10.00. Thus, it can be concluded that there are no symptoms of multicollinearity in this research data.

The results of the autocorrelation test using Durbin-Watson obtained a value of 0.479, considering that the Durbin-Watson value is in the range of -2 to +2, then it can be concluded that the research model does not experience autocorrelation.

The results of the Glejser test showed that the variables of company size and leverage had a significance value below 0.05, so there was an indication of heteroscedasticity. Therefore, regression analysis was carried out using robust standard error with the Heteroskedasticity-Consistent Covariance Matrix Estimator (HCCME) HC3 approach to obtain more reliable results. The robust standard error method is an estimation technique used to produce a consistent standard error even if the assumption of homoskedasticity is not met. By using a robust standard error, the resulting regression coefficient remains unbiased, while the standard error is adjusted so that the statistical test results remain valid. Thus, in this study, regression analysis was carried out using robust standard error (HC3) to ensure that the results of regression coefficient testing

and hypothesis testing remained valid even though there were indications of heteroscedasticity in several independent variables (Freedman, D. A., 2006).

4.3. Hypotesis Test Result

The following is a table that presents the results of the hypothesis test.

Table 3. Hypothesis Test Results

Hyp	Description	Coefficient	Sig.	Result
H1	CSR has a positive effect on firm value	2,017	0,431	Not supported
H2	Firm size has a positive effect on firm value	0,930	0,000	Supported
H3	*Leverage* has a positive effect on firm value	5,586	0,001	Supported
H4	Firm growth has a positive effect on firm value	-0,138	0,617	Not supported
Adj R-squared = 0,157				

Based on the regression results with *robust standard errors* listed in table 3 above, the firm size variable has a coefficient of 0.930 with a significance value of 0.000 (< 0.05). and Leverage has a coefficient of 5.586 with a significance value of 0.001 (< 0.05). This shows that firm size and leverage have a significant positive effect on the value of the company. Thus, hypothesis 1 and hypothesis 2 are proven or supported by data. As for hypotheses 1 and 4, they are not proven or not supported by data, because the significance value > 0.05.

The results of the regression analysis showed that the Adjusted value was $0.157 R^2$. This value shows that the independent variables used in this study, namely Corporate Social Responsibility (CSR), company size, leverage, and company growth, are able to explain the variation in company value by 15.7%, while the remaining 84.3% is explained by other variables that are not included in the research model. This is likely because the value of the company measured by PBV also reflects the perception of investors in the capital market which is often influenced by external factors such as economic conditions, market stability, government policies, and industry dynamics which are not entirely reflected in the fundamental variables of the company used in the research model. This finding indicates that firm value is influenced by a broader set of factors beyond the variables included in this study.

5. Discussion

5.1. Effect of Corporate Social Responsibility on Firm Value

The empirical results indicate that Corporate Social Responsibility (CSR) does not have a significant effect on firm value, as indicated by the significance level of 0.431, which is above the 5% threshold. This finding suggests that the level of CSR disclosure among manufacturing firms has not been sufficiently valued by the capital market in determining firm value.

From the perspective of stakeholder theory, CSR activities are expected to strengthen relationships between firms and their stakeholders, including investors, customers, employees, and the wider community. Such relationships should enhance corporate reputation and legitimacy, which in turn may improve firm value. Similarly, signaling theory suggests that CSR disclosure can function as a positive signal to investors regarding a firm's commitment to sustainability and long-term performance. However, the empirical evidence in this study indicates that CSR disclosure has not yet become a decisive factor influencing investor perception in the Indonesian capital market. One possible explanation is that investors may still prioritize financial performance indicators over non-financial disclosures when making investment decisions. This phenomenon is frequently observed in emerging markets, where sustainability reporting practices are still evolving and may not yet be fully integrated into investment analysis.

According to investors' perspectives, these results show that the capital market has not fully appreciated CSR investment as a significant *value driver*. This can be explained through factors that affect investors' perspective on the firm's CSR activities. First, investors' difficulties in evaluating CSR performance due to the low quality of disclosures made by companies. Some companies only consider CSR disclosure as a formality and fulfillment of responsibility for government regulations without substantive information related to the impact, targets, and achievements of CSR programs. The unstructured disclosure makes it difficult for investors to provide added value from the firm's CSR investments (Samanta Putra & Eni Indriani, 2025). Second, in terms of *cost-benefit analysis,* CSR programs are a factor that weakens the influence of CSR on firm value because the more CSR disclosures, the more companies have to spend more money to finance CSR programs. Thus, investors will prioritize financial performance as the basis for investment decision-making (Sari K.L. & Sulistyowati, 2025). Third, investors realize that CSR programs are a long-term strategy to maintain business sustainability. However, for some investors who tend to be oriented towards short-term profits, CSR programs are not attractive because generally the benefits of CSR are only seen in the long term.

The results of this study support the research by (Alkhairani et al., 2020; Hasanah & Oktavianna, 2025; Sihombing, 2020; Khofifah et al., 2022; Velte (2022)) which states that *Corporate Social Responsibility* (CSR) has no effect on Firm Value. Similarly, Buallay (2019) and Nguyen et al. (2021) documented that the impact of CSR on firm value tends to vary across institutional environments and levels of market maturity. Therefore, the results suggest that although CSR practices are important for corporate sustainability and legitimacy, their direct impact on firm value may depend on the credibility, quality, and strategic integration of CSR activities within the firm's overall business strategy. However, this study does not support the research (Effendi, 2020) which states that *Corporate Social Responsibility* (CSR) has a significant negative effect on the firm's value.

5.2. *Effect of Firm Size on Firm Value*

The results show that firm size has a significant effect on firm value**,** with a significance level of 0.000**.** This finding indicates that larger firms tend to have higher firm value in the capital

market. In the context of signaling theory, firm size serves as an important signal for investors regarding a firm's stability, resources, and long-term growth prospects. Larger firms generally possess greater access to financial resources, stronger market positions, and more diversified business operations, which collectively reduce operational risk and increase investor confidence. Moreover, large firms are typically subject to greater regulatory scrutiny and tend to adopt more transparent reporting practices. Higher levels of disclosure can reduce information asymmetry between managers and investors, thereby improving market valuation.

The empirical findings of this study support previous research demonstrating that firm size positively influences firm value. For instance, Dang et al. (2019) and Sucuahi & Cambarihan (2020) found that larger firms tend to enjoy higher market valuations due to their greater financial flexibility and stronger competitive advantages. Similarly (Khofifah et al., 2022) reported that firm size significantly affects firm value in emerging markets because larger firms are perceived as more resilient during economic fluctuations. Therefore, firm size appears to play an important role in shaping investor perception and market confidence, ultimately contributing to higher firm valuation.

According to the investor's point of view, the Firm's Size is rated as a positive signal by investors. This proves that the firm has good growth which will make it easier for the firm to enter the capital market and attract potential investors. Potential investor interest is driven by expectations for large-scale companies, particularly related to dividend distribution. They assessed that large companies tend to have more stable and reliable performance, therefore they will generate profits that can be distributed as dividends (Khofifah et al., 2022). Investors who expect dividend distribution will increase the demand for shares and encourage an increase in stock prices in the capital market, this factor makes long-time investors retain their shareholdings. Thus, the increase in capital market demand has a positive impact on the increase in the value of the firm and increases investment interest. This research is in line with research by (Agustiningsih & Septiani, 2022; Gowanti & Meiranto, 2023) which states that the size of the firm has a significant positive effect on the value of the firm. However, this research is not in line with research by (Dewi & Soedaryono, 2023) which states that the size of the firm has a significant negative effect on the value of the firm.

5.3. Effect of Leverage on Firm Value

The empirical results reveal that leverage has a significant effect on firm value, as indicated by a significance level of 0.001**.** This result suggests that a firm's capital structure decisions are an important determinant of market valuation. According to trade-off theory, firms determine their optimal capital structure by balancing the benefits and costs of debt financing. The primary benefit of debt is the tax shield effect, where interest payments reduce taxable income, thereby increasing firm value. However, excessive leverage may also increase financial distress risk. In addition, agency theory argues that debt can function as a disciplinary mechanism that reduces managerial opportunistic behavior. The obligation to meet interest and principal payments encourages managers to operate the firm more efficiently and avoid wasteful expenditures.

The results of this study are consistent with previous research suggesting that leverage plays a significant role in determining firm value. Chowdhury & Chowdhury (2020) found that firms with well-managed leverage levels tend to achieve higher market valuation because investors interpret debt usage as a signal of managerial confidence in future performance. Similarly, Nguyen et al. (2022) reported that capital structure significantly influences firm value in emerging markets where external financing decisions send important signals to investors. Thus, leverage can enhance firm value when managed optimally, as it reflects efficient capital structure decisions and strengthens investor confidence.

According to the investor's point of view, a firm with leveraged holdings will affect the investor's assessment of the firm. The level of *leverage* can be measured based on creditors' confidence in the firm's ability to pay its financial obligations, so that the firm's management is not only supervised by investors but also creditors (Nabilah et al., 2023). In addition, the use of debt signals a greater potential return for shareholders when the firm utilizes the loan funds for expansion activities and increases the firm's profitability. Thus, the increase in profitability will affect the share price and the value of the firm (Santi & Sudarsi, 2024). This research is in line with research by (Dewi & Soedaryono, 2023) which states that *leverage* has a positive and significant effect on the value of the firm. However, this study does not support the research (Atika & Hermanto, 2023) which states that *leverage* has a negative effect on the value of the firm.

5.4. Effect of Firm Growth on Firm Value

The findings indicate that firm growth does not have a significant effect on firm value, as reflected in the significance level of 0.617. This result implies that growth in firm assets or expansion activities does not necessarily translate into higher market valuation. From a theoretical perspective, firms with higher growth opportunities are expected to generate greater future cash flows, which should increase firm value. However, growth alone may not always be viewed positively by investors if it is not accompanied by improvements in profitability and operational efficiency. In many cases, growth requires substantial investment expenditures that may temporarily reduce short-term earnings. Consequently, investors may interpret rapid growth cautiously, particularly if the firm's financial performance does not improve proportionally.

The results of this study are consistent with the findings of (Baihaqi & Murtanto, 2023; Firdaus & Mildawati, 2022), who reported that firm growth does not always have a direct impact on firm value because investors tend to focus more on profitability indicators. Similarly, Sari and Widyawati (2023) found that asset growth does not significantly influence firm value when the expansion strategy does not immediately generate financial returns. Therefore, firm growth alone may not be sufficient to enhance firm value unless it is accompanied by improved financial performance and efficient resource utilization. From an investor's point of view, the lack of an effect on the firm's growth on the firm's value can be caused by financial risks. When a firm experiences high growth, investors realize the firm's desire to increase proportionally in operating costs, and capital requirements. The faster the firm's growth, the more the firm will reinvest its profits to improve infrastructure, human resources, and technology that can drain as

much as the cash flow generated. This condition will create a greater need for funding for expansion activities. This causes the firm to have to allocate most of the retained profits, which ultimately reduces dividend receipts for shareholders and leads to a decline in investor confidence. Thus, the rapid growth of the firm will not affect investor confidence in investing, therefore the firm's value does not increase (Olii et al., 2021). In signal theory, dividend distribution provides positive signals related to management's belief in maintaining cash flow stability and future business prospects. When a firm decides not to distribute dividends, investors will see this as a negative signal that management is not confident in the viability of such growth or is facing liquidity constraints that are not publicly informed. This research supports research by (Olii et al., 2021) which reveals that the firm's growth has no significant effect on the firm's value. However, this research contradicts research by (Baihaqi & Murtanto, 2023) which states that the firm's growth has a positive effect on the firm's value.

Overall, the findings of this study show that corporate financial factors, such as company size and leverage, have a stronger influence on company value than non-financial factors such as CSR and corporate growth**.** This indicates that investors in the Indonesian capital market still tend to emphasize the fundamental aspects of financial performance in valuing companies, even though the issue of sustainability and business expansion is starting to gain attention in modern business practices.

6. Conclusion, Suggestion and Implication

6.1. Conclusion

This study aims to analyze the influence of Corporate Social Responsibility (CSR), company size, leverage, and company growth on company value in manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2023 period. The results show that company size and leverage have a significant influence on the company's value**,** while Corporate Social Responsibility and company growth do not show a significant influence on the company's value. These findings show that in the context of the Indonesian capital market, investors still tend to consider fundamental factors of the company's finances, such as the size of the company and the capital structure, in assessing the value of the company. Companies that are larger in size and able to effectively manage their funding structures tend to gain higher trust from investors, which can increase the company's value in the market. In contrast, the disclosure of CSR and corporate growth has not directly affected investors' perception of the company's value, which may be due to the limited integration of sustainability information in the investment decision-making process.

Overall, this study provides empirical evidence that internal factors related to economic capacity and funding policies are still the main determinants of company value, especially in the context of manufacturing companies in the Indonesian capital market. These findings are expected to contribute to the development of literature on the factors that affect company value and serve as a reference for company management and investors in understanding the determinants of corporate value in the capital market.

6.2. Limitation and Suggestions for Future Research

This study is subject to several limitations. First, the sample is restricted to manufacturing firms, which may limit the generalizability of the findings across other industries. Second, CSR is measured only in terms of disclosure quantity, without capturing the quality or substance of CSR activities. Third, firm growth is proxied solely by profit growth, which may not fully represent the firm's growth performance.

Future research is encouraged to include firms from multiple sectors, employ alternative measures of CSR quality, and use broader growth indicators such as sales or asset growth. Additionally, incorporating moderating or mediating variables may provide deeper insights into the relationship between CSR and firm value.

6.3. Implications of the Study

The findings offer several important implications. For corporate managers, the results emphasize the importance of managing firm size and capital structure to enhance firm value. For investors, the study reinforces the relevance of financial fundamentals in investment decision-making. From a regulatory and policy perspective, the insignificant effect of CSR disclosure on firm value suggests the need for improved standardization and enforcement of CSR reporting to increase its relevance and credibility in capital market evaluations.

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