

ABSTRACT

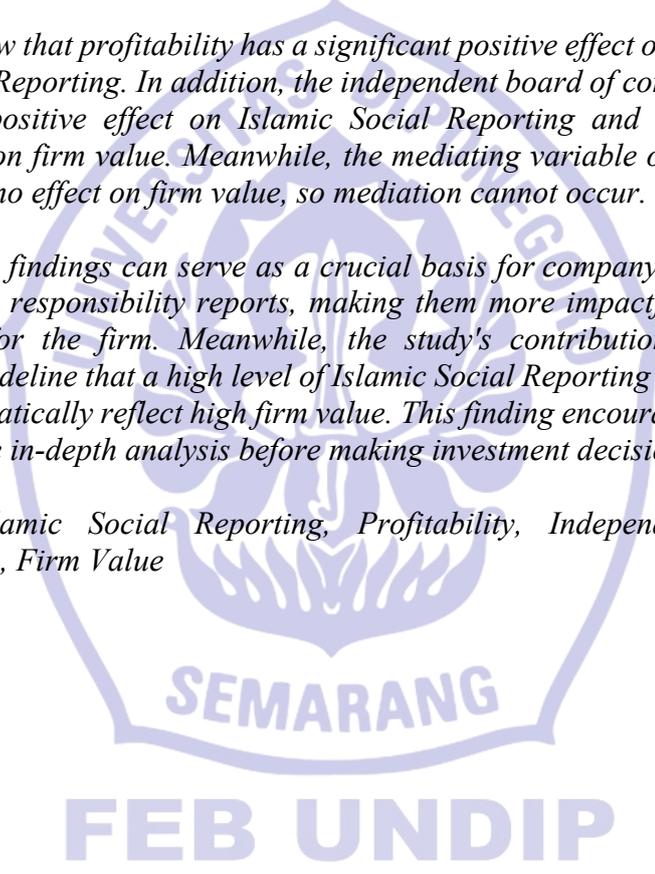
This study examines the effect of profitability and independent board of commissioners on firm value, with Islamic Social Reporting as a mediating variable in the healthcare industry listed on the Indonesia Sharia Stock Index.

This research uses secondary data obtained from the annual reports and Bloomberg terminals of healthcare companies listed on the Indonesia Sharia Stock Index during the period 2021-2024. The data analysis method was tested using multiple linear regression analysis on EViews 12SV.

The results show that profitability has a significant positive effect on firm value and Islamic Social Reporting. In addition, the independent board of commissioners has a significant positive effect on Islamic Social Reporting and an insignificant positive effect on firm value. Meanwhile, the mediating variable of Islamic Social Reporting has no effect on firm value, so mediation cannot occur.

This research's findings can serve as a crucial basis for company management to evaluate social responsibility reports, making them more impactful and creating added value for the firm. Meanwhile, the study's contribution to investors is providing a guideline that a high level of Islamic Social Reporting (ISR) disclosure does not automatically reflect high firm value. This finding encourages investors to conduct a more in-depth analysis before making investment decisions.

Keywords: Islamic Social Reporting, Profitability, Independent Board of Commissioners, Firm Value



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