ABSTRACT

This study analyzes the effect of profitability (ROA), firm size, and Islamic Social Reporting (ISR) on the firm value of Consumer Non-Cyclicals companies listed on the Indonesia Sharia Stock Index (ISSI) during 2021-2024. This quantitative study employs purposive sampling, resulting in a sample of 20 companies or 80 observations. The analysis uses panel data regression with Panel Least Squares estimation and Cross-section SUR (PCSE) standard errors and covariance. Firm value is measured using two proxies, namely Price to Book Value (PBV) and Tobin's Q. The results show that profitability has a positive and significant effect on both PBV and Tobin's Q. Firm size has no significant effect on either proxy, although it exhibits a negative relationship. Meanwhile, ISR has a positive and significant effect on PBV but no significant effect on Tobin's Q. Simultaneously, profitability, firm size, and ISR significantly affect firm value. These findings indicate that the ability of companies to generate profits consistently receives a positive market response, whereas firm size has not become a significant factor in determining firm value. The different effects of ISR on PBV and Tobin's Q indicate that sharia-based social disclosure has not generated a uniform market response across the two firm value proxies.

Keywords: Profitability, Firm Size, Islamic Social Reporting (ISR), Price to Book Value (PBV), Tobin's Q