The Effect Of Profitability, Investment Decisions And Corporate Social Responsibility On Company Value In Healthcare Companies Listed On The Idx From 2018-2022

Nurul Fahira[1], Patar Marbun[2], Ahmad Prayudi[3], M. Yamin Siregar[4]
[1,2,3,4]Management Study Programme, Faculty of Economics and Business,
Universitas Medan Area, Indonesia

Coreesponding Author :
Email : nuruulfahira@gmail.com[1]
patarmarbun@staff.uma.ac.id[2] ahmadprayudi@staff.uma.ac.id[3] siregaryamin22@gmail.com[4]

Abstract
This study aimed to determine "The Effect of Profitability, Investment Decisions and Corporate Social Responsibility on Company Value in Healthcare Companies Listed on the IDX from 2018-2022". This is the result of quantitative research study. The sample in this study consisted of 30 data points collected using the companies' annual reports. The sampling technique used was purposive sampling with the significance level of 0.05. Based on the results, Profitability (ROA) has a positive and significant effect on Company Value (PBV), Investment Decisions (PER) has a positive and significant effect on Company Value (PBV), Corporate Social Responsibility (CSRDI based on GRI indicators) has a positive and significant effect on Company Value (PBV), Profitability, Investment Decisions and Corporate Social Responsibility simultaneously had a positve and significant effect on Company Value in Healthcare Companies Listed on the IDX From 2018-2022.

Keywords : Profitability, Investment Decisions, Corporate Social Responsibility and Company Value

INTRODUCTION

In the current era of globalization, the progress of companies in Indonesia has a fairly rapid development value. From day to day the number of companies is increasing, thus making competition in the business world tighter. This happens in various companies in the fields of services, manufacturing, trade and health. So that companies must be ready to compete to maintain and improve the existence of the best value of their respective companies with various current economic conditions. One way for companies to remain consistent is to make various innovations and business strategies so as not to experience bankruptcy.
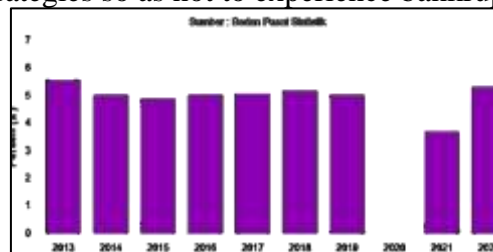
Source: Badan Pusat Statistik (BPS)
Figure 1. Indonesia's Economic Growth from 2013-2022

Based on figure 1. Badan Pusat Statistik (BPS) released data on Indonesia's economic growth in 2022 (year on year) of 5.31%, this figure is higher than the economic growth in 2021 which only reached 3.70%. Not only outperforming the amount in 2021, but Indonesia's

economic growth in 2022 is the highest achievement since 2013, which reached 5.56%. The high economic growth in 2022 was supported by an increase in the percentage of exports (16.28%) and imports (14.75%). Indonesia's economy in 2022 is calculated based on Gross Domestic Product (GDP) at current prices reaching Rp 19,588.4 trillion and GDP per capita reaching Rp 71.0 million or US$ 4,783.9. Indonesia's GDP growth since 2016 has been fluctuating.

In 2016, growth reached 5.03%. The increase occurred in 2017 which reached 5.07%, in 2018 it was 5.17%, and 2019 experienced a decline so that economic growth was only 5.02%. The economic growth rate fell sharply to a result of -2.07% in 2020. This is due to the Covid-19 pandemic and social restrictions that have limited economic activity in Indonesia. Although still in pandemic conditions, Indonesia's economic growth has increased, reaching 3.70% in 2021.

To solve the problem of innovation and business strategy, going public is one way out. According to Lastari et al. (2020), Initial Public Offering is an event of offering shares made by a company (issuer) to the general public (investor) for the first time. There are many reasons why companies decide to become public companies, including the benefits obtained, namely the company will obtain relatively large funds and be received at once, known by many parties, professional management because it is left to people who are capable in their fields. According to Wijaya & Suarjaya (2017), the Indonesia Stock Exchange (IDX) is a capital market in Indonesia, which is a means of buying and selling long-term financial instruments that generally have a lifespan of more than one year, issued by government private companies such as stocks and bonds.


Source: https://ajaib.co.id (idx.co.id)
Figure 2. Classification of Stock on the Indonesian Stock Exchange by Sector

Based on figure 2. starting January 25, 2021, the Indonesia Stock Exchange (IDX) implements a new classification of sectors and industries of listed companies called "Indonesia Stock Exchange Industrial Classification" or IDX-IC. IDX classifies various sectors and industries such as the energy sector (A), raw goods industry (B), industrial industry (C), primary consumer goods industry (D), non-primary consumer goods industry (E), healthcare industry (F), financial industry (G), property & real estate industry (H), technology industry (I), infrastructure industry (J), transportation & logistics industry (K).

One of the listed sectors and industries is the Health Industry. The development of the health industry in Indonesia is booming and has great potential. In addition, quoted from the World Population Review page, Indonesia has the world's fourth largest population after China, India and the United States. This can be a factor in driving a more efficient and robust healthcare industry. People are considered to be able to continue to spend more money on products that improve health, fitness, nutrition and so on.
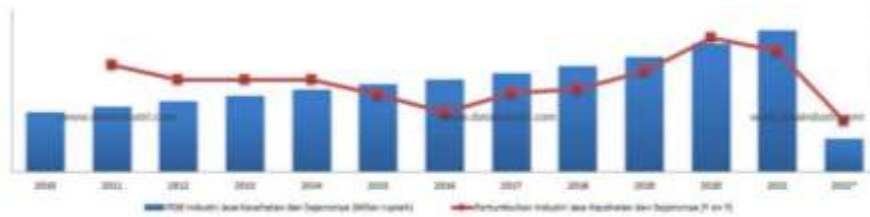
Source: Dataindustri Research
Figure 3. Trend Data for Growth of the Health and Similar Services Industry, 2010-2022

As presented in the graph in Figure 3. which shows the trend of growth data for the health and similar services industry from 2010-2022, it can be seen that in 2018-2022 there was a fairly drastic decline and increase. Especially during the pandemic, this sector continues to show positive performance. Not only has it recorded the highest growth rate, its contribution to the national economy is also getting higher. Minister of Health Nila F. Moeloek revealed that the value of foreign investment in Indonesia's health sector has jumped sharply. This investment growth rose after Presidential Instruction No. 6/2016 on accelerating the development of the pharmaceutical and medical device industries was passed (indohcf.com).

Source: Google Finance, 2022
Figure 4. Healthcare Sector Stock Performance and IHSG

Company value is a condition that has been achieved by a company as a reflection of public trust in the company after several years of operation, namely since the company was founded until now. Based on previous research, there are several factors that can affect firm value, including funding decisions, dividend policy, investment decisions, company growth and company size. This factor has an inconsistent relationship and influence on firm value.

Company value can also increase by looking at a company's ability to earn profits. This company profit is obtained from the company's sales and investment decisions. High profitability indicates that the company is performing well, allowing investors to react positively and causing stock prices to rise. The higher the share price will have an impact on the prosperity of shareholders, as well as being able to make the company's image better in the eyes of the public, both investors and potential investors who want to invest in the company. However, this will be difficult to happen considering that there are always fluctuations in stock prices in the stock market.

Another factor that can increase the value of a company is investment decisions. Investment decisions are one of the financial management functions that involve allocating funds, both funds sourced from within and outside the company, to various forms of investment decisions with the aim of obtaining greater returns than the cost of funds in the future. Investment

decisions or investment decisions made by managers are very important and affect the process of successfully achieving company goals.

Apart from financial factors, non-financial factors are also very influential on company performance which has an impact on company value. One of these non-financial factors is the implementation of corporate social responsibility (CSR). Corporate social responsibility is one part of a long-term business strategy. The Business Council for Sustainable Development (WBCSD) defines CSR as a company's commitment to encourage sustainable economic development, working together with company employees, employee families, surrounding communities and the entire community to improve the quality of life (Berampu & Agusta, 2015). In Law No. 40 of 2007, article 74 paragraph (1) states that companies that carry out business activities in the field of and or related to natural resources are required to carry out social and environmental responsibilities.

RESEARCH METHODS

The type of research used is quantitative research, which means that this research prioritizes theory testing through measuring variables with numerical counts and using statistical procedures in conducting data analysis. Based on the level of interpretation of the position of the variables related to this research is causal associative. According to causal associative research is research that looks for relationships and influences (cause and effect) between independent variables (X) on the dependent variable (Y). The time needed to collect data starts in January 2024 - March 2024. The population in this study is based on data obtained from the Indonesia Stock Exchange (IDX) for the period 2018-2022, there are 32 healthcare companies listed. The sampling technique used in this study is nonprobility sampling, namely purposive sampling, which is a sampling technique with certain considerations. The sample selection with purposive sampling in this study is because not all samples have criteria that match the phenomenon under study. This study uses descriptive statistical testing, classical assumption test, hypothesis testing and determination coefficient test (R^2). The data that will be statistically tested in this study using the SPSS.

RESULTS AND DISCUSSION

Research Instrument Test

Table 1. Multiple Linear Regression Analysis Test Results

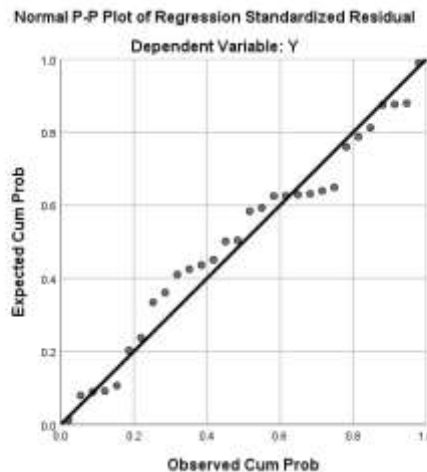|		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.183	.443		4.925	.000		
	X1	.043	.017	.378	2.614	.015	.849	1.178
	X2	.018	.006	.412	2.965	.006	.922	1.085
	X3	.070	.026	.391	2.661	.013	.826	1.211
a. Dependent Variable: Y								

Source: Data processed from SPSS

$$Y = 2.183 + 0.043X1 + 0.018X2 + 0.070X3 + e$$

From the regression equation above, it can be concluded as follows:

1. The constant (a) of 2.183 states that if Profitability (X1), Investment Decisions (X2) and Corporate Social Responsibility (X3) are considered to be 0, then the Company Value (Y) is 2.183.

2. The regression coefficient value of the Profitability variable (X1) is obtained at 0.043 which shows a positive relationship. This states that, if the Profitability variable increases by 1%, the Company Value variable increases by 0.04% with the assumption that X2 and X3 are constant.

3. The regression coefficient value of the Investment Decisions (X2) variable is obtained at 0.018 which shows a positive relationship. This states that, if the Investment Decisions variable increases by 1%, the Company Value variable increases by 0.01% with the assumption that X1 and X3 are constant.

4. The regression coefficient value of the Corporate Social Responsibility (X3) variable is obtained at 0.070 which shows a positive relationship. This states that, if the Corporate Social Responsibility variable increases by 1%, the Company Value variable increases by 0.07% with the assumption that X1 and X2 are constant.

Classical Assumption Test

Source: Data processed from SPSS
Figure 5. Normality Test

Multiple Linear Regression
a. Partial Test (t-test)
Table 2. Multiple Linear Regression Test

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.183	.443		4.925	.000		
	X1	.043	.017	.378	2.614	.015	.849	1.178
	X2	.018	.006	.412	2.965	.006	.922	1.085
	X3	.070	.026	.391	2.661	.013	.826	1.211
a. Dependent Variable: Y								

Sumber: Data processed from SPSS

Based on table 3. the results of the t test (partial) can be concluded as follows:
1. Effect of Profitability on Company Value
   Based on the results of the t test that has been carried out, it is known that the tcount value is 2.614 while the ttable value is 2.055 with a sig level of 0.015 <0.05, which means a significant effect. So it can be interpreted that profitability has a positive and significant effect on firm value in healthcare companies.
2. The Effect of Investment Decisions on Firm Value
   Based on the results of the t test that has been carried out, it is known that the tcount value is 2.965 while the ttable value is 2.055 with a sig level of 0.006 <0.05, which means a significant effect. So it can be interpreted that investment decisions have a positive and significant effect on firm value in healthcare companies.
3. The Effect of Corporate Social Responsibility on Firm Value
   Based on the results of the t test that has been carried out, it is known that the tcount value is 2.661 while the ttable value is 2.055 with a sig level of 0.013 <0.05, which means a significant effect. So it can be interpreted that corporate social responsibility has a positive and significant effect on firm value in healthcare companies.

b. Simultan Test (F-test)
Table 3. Simultan Test Results (F-test)

		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.597	3	.866	10.063	.000[b]
	Residual	2.237	26	.086		
	Total	4.834	29			
a. Dependent Variable: Y						

b. Predictors: (Constant), X3, X2, X1

Source: Data processed from SPSS

 Based on the results of the F test, the Fcount value is 10.063 while the Ftable value is 2.98 with a sig level of 0.000 <0.05. In accordance with the test rules, it means that these results show that Profitability (X1), Investment Decisions (X2), and Corporate Social Responsibility (X3) have a joint (simultaneous) positive and significant effect on Firm Value (Y).

c. Determination Coefficient Test (R^2)

Table 4. Determination Coefficient (R^2) Test Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.733[a]	.537	.484	.29330	1.770
a. Predictors: (Constant), X3, X2, X1					
b. Dependent Variable: Y					

Source: Data processed from SPSS

 Based on table 5. the test results of the coefficient of determination (R^2) show that the test results obtained a value (Adjusted R Square) of 0.484 or 48.4%. This means that Firm Value (Y) in healthcare companies is influenced by independent variables, namely Profitability, Investment Decisions and Corporate Social Responsibility by 48.4% while the remaining 51.6% is influenced by other variables outside of this study.

CONCLUSION

1. Based on the results of the t test that has been carried out, it is known that the tcount value is 2.614 while the ttable value is 2.055 with a sig level of 0.015 <0.05, which means a significant effect. So it can be interpreted that profitability has a positive and significant effect on company value in healthcare companies.
2. Based on the results of the t test that has been carried out, it is known that the tcount value is 2.965 while the ttable value is 2.055 with a sig level of 0.006 <0.05 which means a significant effect. So it can be interpreted that investment decisions have a positive and significant effect on company value in healthcare companies.
3. Based on the results of the t test that has been carried out, it is known that the tcount value is 2.661 while the ttable value is 2.055 with a sig level of 0.013 <0.05 which means a significant effect. So it can be interpreted that corporate social responsibility has a positive and significant effect on company value in healthcare companies.
4. Based on the results of the F test, the Fcount value is 10.063 while the Ftable value is 2.98 with a sig level of 0.000 <0.05. In accordance with the test rules, this means that these results indicate that Profitability (X1), Investment Decisions (X2), and Corporate Social Responsibility (X3) have a joint (simultaneous) positive and significant effect on Company Value (Y).

REFERENCES

Abd'rachim. A. E., (2021) Manajemen Keuangan, Jakarta: PT. Perca.

Andira, A., Surasni, N. K., & Bakar, A. A. (2022). Pengaruh Keputusan Investasi, Keputusan Pendanaan Dan Profitabilitas Terhadap Nilai Perusahaan Pada Sektor Layanan Kesehatan Yang Terdaftar Di Bursa Efek Indonesia TAHUN 2016-2020: P. Unram Management Review, 2(2), 22-32.

Anggraini, D. F., & Andayani, A. (2019). Pengaruh Keputusan Investasi, Keputusan Pendanaan, Risiko Bisnis, dan Tingkat Suku Bunga Terhadap Nilai Perusahaan. *Jurnal Ilmu dan Riset Akuntansi (JIRA), 8(6).*

Berampu, A. C., & Agusta, I. (2015). *The Benefits of Community Participation in Waste Management Program WBCSD (The World Business Council for. 11(2).*

Deomedes, S. D., & Kurniawan, A. (2018). Pengaruh Keputusan Investasi, Pendanaan, dan Kebijakan Dividen terhadap Nilai Perusahaan Pada Perusahaan Farmasi Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal GeoEkonomi, 9(2), 100–116.*

Falah, F. N., & Wardoyo, D. U. (2023). Pengaruh Kebijakan Dividen, Kebijakan Hutang, dan Board Study Diversity terhadap Nilai Perusahaan: Studi Kasus pada Perusahaan Sektor Healthcare yang Terdaftar pada Bursa Efek Indonesia Periode 2018-2022. ManBiz: *Journal of Management and Business, 3(1), 189–199.* https://doi.org/10.47467/manbiz.v3i1.5242

Fahmi, M. (2019). Pengaruh Karakteristik Perusahaan Terhadap Pengungkapan Corporate Social Responsibility Pada Perusahaan Consumer Goods Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Riset Akuntansi Dan Bisnis, 19(1), 26–39.* https://doi.org/10.30596/jrab.v19i1.3322

Harahap, Sofyan Safri. 2010. Analisis Kritis Atas Laporan Keuangan.Jakarta: Rajawali Pers.http://www.idx.co.id. diunduh pada 25 November 2016

Hidayati, A., & Priyadi, M. P. (2022). Pengaruh Profitabilitas, Likuiditas dan Keputusan Investasi terhadap Nilai Perusahaan Pada Perusahaan Sub Sektor Farmasi Yang Terdaftar Di Bei. *Jurnal Ilmu Dan Riset Akuntansi (JIRA), 11(3).*

Lastari, A. W., Agustian, E., & Yulianza, A. (2020). Analisis Reaksi Pasar Modal Sebelum Dan Saat Peristiwa Pandemi Covid-19. 19.

Murti, G. T., Saraswati, R. S., & Faizi, M. F. N. (2024). Pengaruh Kepemilikan Institusional, Umur Perusahaan, dan Struktur Modal Terhadap Nilai Perusahaan. Owner, 8(1), 414–423. https://doi.org/10.33395/owner.v8i1.1817

Palupi, R. S., & Hendiarto, S. (2018). Kebijakan Hutang, Profitabilitas, dan Kebijakan Dividen pada Nilai Perusahaan Properti & Real Estate. Jurnal Ecodemica, 2(2), 177–185.

Permanasari, W. I. (2010). Pengaruh Kepemilikan Manajemen, Kepemilikan Institusional, dan *Corporate Social Responsibility* terhadap Nilai Perusahaan. UNDIP *E-Journal Systems*, 1–101.

Suardana, I. K., Endiana, I. D. M., & Arizona, I. P. E. (2020). Pengaruh Profitabilitas, Kebijakan Utang, Kebijakan Dividen, Keputusan Investasi, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. Jurnal Kharisma, 2(2), 137–155.http://e-journal.unmas.ac.id/index.php/kharisma/article/view/975/845

Wardhani, S T., G. C., & Rahman, A. F. (2019). Pengaruh Kepemilikan Institusional Terhadap Nilai Perusahaan Dengan Keputusan Investasi ,. 1(2), 93–110.

Wijaya, I. G. O., & Suarjaya, A. G. (2017). Pengaruh Eva, Roe Dan Dpr Terhadap Harga Saham Perusahaan Manufaktur Di Bei. 6(9), 5175–5204