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The effect of corporate social responsibility, capital structure, and current ratio on profitability with firm size as moderating variables on companies in the Jakarta Islamic Index (JII) 2016-2020

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Abstract

Profitability is a measurement of a company's financial performance in generating profits. This study aims to determine the factors that affect profitability by analyzing the relationship between corporate social responsibility, capital structure, and current ratio on company profitability moderated by company size. This research is quantitative, with a population of 30 companies listed on the Jakarta Islamic Index (JII). The sampling technique used was the purposing sampling technique, as many as 12 companies registered at JII for the 2016-2020 period. The data analysis technique in this study used descriptive statistical data analysis. This research shows that corporate social responsibility significantly influences profitability, and capital structure negatively impacts profitability. The current ratio does not have a significant influence on profitability. Firm size does not significantly influence profitability, and the firm size can moderate corporate social responsibility, capital structure, and a current ratio of profitability. This research contributes to Islamic accounting and provides information about factors affecting company profits.

Keywords: corporate social responsibility; capital structure; current ratio; profitability; firm size; Jakarta Islamic Index.

Introduction

The company must have a goal so that the company can continue to operate and develop. One of the purposes of establishing a business is to make a profit. If the company is run well and follows the goals that have been determined, a company will achieve the goal. Getting maximum profitability is the goal of every company. Therefore from time to time, the company must know the development of its business so that it can decide that its goals can be achieved with maximum results. Several things can affect the company's profitability, including corporate social responsibility (CSR), capital structure, firm size, and current ratio.

Profitability is a measurement of a company's financial performance in generating profits, assessing the company's financial performance in plain sight against the costs incurred in social investment or the implementation of CSR in addition to the cost component that can reduce the company's profitability (R. Sari & Maharani, 2021). Still, the company needs public support to maintain its performance so that CSR is considered to impact the company's performance in the long run positively. With this positive impact, stakeholders will prosper. Their shares will increase because the company's image will improve. This is in line with the research conducted Sari & Azizah (2019), Tanod et al. (2019), and Sari & Maharani (2021) states that CSR affects the company's profitability. However, this is different from the research conducted by Praharawati et al. (2019), which states that CSR does not affect profitability.

To achieve maximum profit, the company must be able to determine the value of the right capital structure. Companies that utilize funds using fixed costs are declared to be able to generate profitable leverage or have a positive effect if the income obtained from utilizing these funds is greater than the fixed costs that do not use the funds and vice versa. Debt is good to be used if the results or profits obtained can cover the interest and cost of goods owed so as not to cause losses and risk of bankruptcy (Astivasari & Siswanto, 2018).

If the company determines where the source of capital or the cost of the source of capital is used in each company's activities, it must be very concerned. The company's welfare and value can increase with an increase in its profit, so the capital structure can increase its profit. This is in line with the research conducted by Astivasari & Siswanto (2018a), which raises the capital structure affecting profitability but is different from the research undertaken by Sastra (2019), which suggests that capital structure does not affect profitability.

The company's liquidity influences the increase in profitability. Liquidity indicates a company's ability to meet its financial obligations when billed, paid, or required. The current ratio (CR) is the company's decision to maximize working capital, which increases the CR value and maintains liquidity. However, this will most likely impact profitability because there may be a lot of idle cash that is not used optimally for the company's business interests (Sari & Dwirandra, 2019). Different results may arise if the company plans for high liquidity as working capital in anticipation of short-term debt payments or a portion of long-term debt that must be paid immediately (Muslih, 2019). Based on research conducted by Angelina et al. (2020) and Wedyaningsih et al. (2019), states that CR affects profitability but differs from the results of research from Widiyanti & Bakar (2014), which says that CR does not affect profitability.

Based on the number of assets, the company has several types called the firm, namely medium, large, medium, and small companies. The firm size determines the cost of the company's activities; the company tends to choose sources of funds from outside who trust it to meet its funding needs because the firm size is already large and has a relatively small risk of default (Dewi, Nuraina, & Styaningrum, 2020).

Along with the times, research is often conducted on the Islamic capital market. The object of study is various companies that issue sharia securities, such as research conducted by Fathoni & Syarifudin (2021), Yudiana (2016), and Makhfudloh et al. (2018). Researchers also made these companies objects in this research by using one of the Sharia stock indices recorded in the Jakarta Islamic Index (JII). Every year, 30 (thirty) companies listed in the JII do not have the same development. From the results of previous studies and data showing the profitability of the companies listed above, there are differences in the level of profitability of each company from year to year, and there are also several different results of previous researchers. This is a good reason to repeat the research, obtain experimental evidence, and get new research results.

This research aims to find out the factors that affect profitability. This research will analyze how the relationship between corporate social responsibility, capital structure, and the current ratio to the profitability of companies is moderated by the firm size in companies listed on JII in the period 2016-2020.

Literature review

Stakeholder theory

Stakeholder theory explains that if the company can meet stakeholders' expectations, it will be able to increase the company's value. Fulfilling all stakeholders' desires for their rights, such as knowing their financial performance, environment, and social responsibility can create trust in the company. This increase in stakeholder trust can increase the company's value because the company cannot be separated from the existence of stakeholders (Nurwahidah, 2016).

The relationship with this research is the interests of stakeholders implementing corporate social responsibility as a whole is also an effort to protect stakeholders' interests, to improve compliance with applicable laws, and to comply with generally accepted ethical values.

Profitability

Profitability is the ratio used to assess the extent to which a company gains over a given period. The higher the value of the profitability ratio can show if the company has used its assets more efficiently to make a profit. Profitability can also show how effective management is seen from the profits generated from sales or investment revenues.

Corporate social responsibility

Corporate social responsibility is a company's obligation to the local community which the company is located and operates. Law of the Republic of Indonesia Number 40 of 2007 Article 74, which regulates environmental and social responsibility, is a rule that is a provision in implementing corporate social responsibility (Praharawati et al., 2019).

In the annual report on this research, disclosure of corporate social responsibility uses the Corporate Social Responsibility Disclosure Index (CSRDI), which will be assessed by comparing the number of disclosures carried out by the company with disclosures that are a condition of BAPEPAM covering 78 disclosure items. CSR can be calculated using formulas: $CSRDI=(\sum X_{ij})/n_j$

Capital structure

Capital structure is an illustration of a form of financial comparison that becomes the source of finance in a company. The capital structure in the company is a combination derived from its capital and the company's debt.

The calculation of capital structure in this research used the Debt to Equity Ratio (DER). DER calculations are calculated using the following formula: DER=(Total Liabilities/Total Equity)

Current ratio

The current ratio is a measure of short-term liquidity. The current ratio is a current asset compared to current liabilities. Companies that can pay are not necessarily able to meet all financial obligations that must be fulfilled. If the current ratio of the company is higher, the greater the company's ability to meet, pay and pay off its short-term financial obligations. The current assets are used to meet short-term liabilities using current ratios, including cash, securities, receivables, and inventory (Novita & Sofie, 2015).

Current Ratio=(Total Current Assets/Total Current Liabilities)

This research measured profitability by return on equity (ROE) (S. W. Sari & Hidayat, 2017). ROE units of measurement are in percentages, that is: ROE=(Net Income After Tax/Own Capital)x100%

Firm size

The variable firm size is the size of the company's big and small, which can be seen through the company's equity, sales, and total assets (Suwardika & Mustanda, 2017).

The firm size in this research was measured using the following formula: Firm Size=Log Natural (Total Asset)

The effect of corporate social responsibility on profitability

The company's image will be viewed better by the public if the company does a lot of accountabilities. A better image owned by the company will attract more interest from an investor investing in the company because a good company image reflects a high consumer loyalty to the company. Increased consumer loyalty will be directly proportional to the company's revenue in the company which can affect the increased profitability of the company. Theoretically, the financial performance of the company reflects its value of the company. Good financial performance shows the value of a good company as well. Research by Tanod et al. (2019), Maudi et al. (2020), and Sari & Maharani (2021) shows that corporate social responsibility influences ROA. From this explanation, the hypotheses in this research are:

H1: Corporate Social Responsibility affects profitability.

The effect of capital structure on profitability

The larger capital structure ratio figure will result in a total net profit after tax that the company will get be smaller because the total debt used by the company causes the interest and principal burden of loans to be higher so that operational profits and cash flow will be more widely used to pay it. Suppose the company's capital structure is low. In that case, it shows that the company can incubate its debt by using its equity, or the increase/decrease in capital structure should not be inversely proportional to profitability. Research by Astivasari & Siswanto (2018a) states that capital structure affects profitability. The hypotheses formulated are:

H2: Capital structure affects profitability

Effect of current ratio on profitability

The high capital level can reduce the company's total debt so that the interest burden that the company must pay will be smaller to produce greater profits. However, the taxes that must be paid are certainly also high. This opinion is reinforced by the results of previous studies conducted by Angelina et al. (2020) and Wedyaningsih et al. (2019), noting that the current ratio affects profitability. So that the hypotheses that are disputed are:

H3: Current Ratio affects profitability.

Effect of firm size on profitability

The greater the total assets owned by the company will make investors feel more secure and confident in investing in the company (Nurdiana, 2018). Some research shows that the firm size can be utilized to see market strength and efficiency. If Ceteris Paribus is a company that has high efficiency and great market power, then the company's profits are higher, so the firm size affects profitability (Purba & Yadnya, 2015). So that the hypothesis is rumored as follows:

H4: Firm Size affects profitability.

The effect of firm size moderating corporate social responsibility on profitability

If the company implements greater accountability towards its environment, the better the company name follows the public view. Investors will be more interested in companies with a good society reputation because the better the company name, the higher the consumer loyalty. When consumer loyalty increases for a long time, it will be offset by the company's sales level, which also increases. Of course, the company's profit will also increase.

The large size of the firm will increase stakeholder confidence in the company, increasing the capital or debt that stakeholders will provide to the company. With high capital, the management of the company's operations will be better, so it is expected to increase its profitability. Research conducted by Maudi et al. (2020) shows that firm size can strengthen the relationship between CSR and profitability. From this explanation, the hypotheses in this research are:

H5: The firm size affects the relationship between corporate social responsibility and profitability as a variable moderation.

Effect of firm size moderating capital structure on profitability

The more assets owned by the company indicates the firm size with profitability. The larger assets owned, the greater the revenue that will be generated. This is because the company uses these assets for operational activities to obtain revenue. Research by Dewi et al. (2020) and Fathoni & Syarifudin (2021) indicates that firm size moderates the relationship between capital structure and profitability. So, the hypotheses proposed in this research are:

H6: The firm size can moderate the influence of capital structure on profitability

The effect of firm size to moderate current ratio on profitability

The larger the firm's assets owned by the company, resulting in a higher level of liquidity, the allowing the company to meet its short-term obligations is also better. Like the research done by Eny Maryanti (2020), the firm size can moderate the relationship between the current ratio and profitability. So, the hypotheses proposed in this research are:

H7: The firm size can moderate the current ratio's influence on profitability.

Research methods

This type of research is quantitative research by analyzing secondary data. Quantitative research is research that collects quantitative data, namely data in the form of numbers or numbers. At the same time, secondary data is primary data that has been processed and presented by primary data collectors or by other parties. Primary data is shown in the form of tables or diagrams.

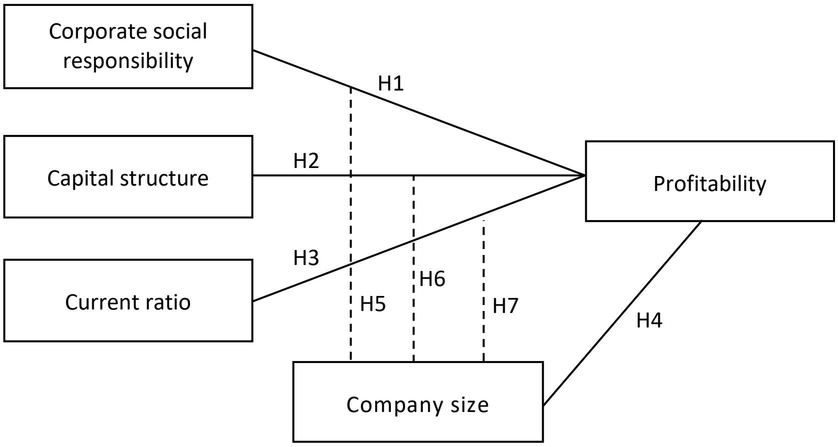

Figure 1. Research framework

Figure 1 explains that CSR, capital structure, current ratio, and firm size affect profitability. The firm size moderates the relationship between CSR, capital structure, and current ratio.

The population in this research is all the financial statements of companies listed in JII. JII-listed companies numbered 30 companies, of which 30 were the population in the study. This research sample is determined using the purposive sampling method, which aims to obtain a sample that matches the expected criteria (Heryanto & Juliarto, 2017). So, it was taken 12 companies to be sampled in this research (see table 1)

Table 1. The list of company

No	Company Code	Company Name
1	A D R O	Adaro Energy Tbk.
2	A K R A	AKR Corporindi Tbk.
3	A S I I	Astra International Tbk.

No	Company Code	Company Name
4	I C B P	Indofood CBP Sukses Makmur Tbk.
5	I N C O	Vale Indonesia Tbk.
6	I N D F	Indofood Sukses Makmur Tbk.
7	K L B F	Kalbe Farma Tbk.
8	P T B A	Bukit Asam Tbk.
9	T L K M	Telekomunikasi Indonesia (Persero) Tbk.
10	U N T R	United Tractors Tbk.
11	U N V R	Unilever Indonesia Tbk.
12	W I K A	Wijaya Karya (Persero) Tbk.

Techniques applied in collecting research data include library research (a way to obtain data from various reference sources such as books, journals, financial statements, and other sources that are related and can support research carried out) and documentation engineering (a technique in obtaining the data needed in the research process based on existing data. Such data is usually statistical data, records or other documentation contained in an institution).

Description: CSRDI= Corporate Social Responsibility Disclosure Index, Xij= Dummy variable; 1= if 1 item is disclosed, 0= if 1 item is not disclosed, thus 0≤CSRDI≤1; nj= Number of items for the company j, nj≤78

The current ratio is used as a gauge of the company's ability to meet short-term obligations, which is assumed that all current assets are converted into cash; the formula used to calculate the current ratio is (Hartono, 2015):

Analysis methods

This research uses descriptive statistical data analysis techniques. Using the Panel Data Regression Analysis model, panel data regression is a regression technique that combines time series data with cross-section data. The panel data can irradiate its parameters in the regression model without meeting the rigorous classical assumption test as the Ordinary Least Square (OLS) model. Classic assumption tests conducted on the Ordinary Least Squared (OLS) approach include normality, multicollinearity, heteroscedasticity, and autocorrelation (Basuki, 2016).

The research used multiple linear regression analyses to test the influence of two or more independent variables on dependent variables. Independent variables in this research are corporate social responsibility, capital structure, and current ratio. At the same time, the dependent variable in this research is profitability.

Multiple linear regression equations are the following:

Y=a+b1X1+b2X2+b3X3+…+e

Description: Y: Profitability, a: Constant, b1, b2: Regression coefficient, X1, X2.X3: Independent variable, e: Interrupt error (error).

Hypothesis tests in this research use The Coefficient of Determination (R^2), T-Test (Partial), Test F (Simultaneous), and Moderate Regression Analysis Test. MRA equation is as follows:

$$Y=\alpha+\beta_1X_1+\beta_2X_2+\beta3X3+\beta4Z+\beta1X1*Z+\beta2X2*Z+\beta3X3*Z+e$$

Description: Y: Profitability, a: Constant, $\beta_1\beta_2\beta_3\beta4$: Regression Coefficient, Z: Firm size, X_1: Corporate Social Responsibility, X_2: Capital Structure, X3: Current Ratio, X1*Z: CSR Interaction and Firm size, X2*Z: Interaction of Capital Structure and Firm size, X3*Z: Interaction of Current Ratio and Firm size, e: Error.

Results and discussion

The statistical description describes known data based on standard deviations, average values (mean), maximum and minimum (Azizah et al., 2017). Here is the result of descriptive statistical values.

Table 2. Statistical descriptive test results

	Profitability	Corporate social responsibility	Capital structure	Current ratio	Firm size
Mean	0.108377	0.57265	0.95468	1.906364	18.39743
Median	0.07844	0.576923	0.793299	1.542442	17.1284
Maximum	0.466601	0.75641	3.159024	4.657703	30.74739
Minimum	-0.00699	0.435897	0.144716	0.220292	5.190793
Std. Dev.	0.097773	0.081825	0.748588	1.147405	5.361015
Observations	60	60	60	60	60

Based on table 2, 60 observational data obtained the following values: The average value profitability variable is 0.108377, the median value is 0.07844, the most significant value is 0.466601, the smallest value is 0.00699, and the standard deviation is 0.097773. The average corporate social responsibility value is 0.57265, the median value is 0.576923, the most significant value is 0.75641, the smallest value is 0.435897, and the standard deviation is 0.081825. The average value of the variable capital structure is 0.95468; the median value is 0.793299, the most significant value is 3.159024, the smallest value is 0.144716, and the standard deviation is

0.748588. The average variable current ratio is 1.906364; the median value is 1.542442, the most significant value is 4.657703, the smallest value is 0.220292, and the standard deviation is 1.147405. The average firm size value is 18.39743, the median value is 17.1284, the most significant value is 30.74739, the smallest value is 5.190793, and the standard deviation is 5.361015.

The results of the regression test model specification on the panel data in this research are as follows:

Classic assumption test

Classical assumption tests are performed to determine whether the available data can provide certainty that the regression equations obtained have accurate, unbiased, and consistent estimations. Based on the results of the classic assumption test, it was found that the research data passed the normality, heteroskedasticity, multicollinearity, and autocorrelation tests. The test results of four classic assumptions for regression equations are summarized in table 3.

Table 3. Classic assumption test results

	Normality test	Autocorrelation test	Heteroskedastity test	Multikolonearity test
Model	0.229044	2.052593	Homoledasticity occurs	There is no multicollineritas

Based on the normality test results, the confirmed prob value was 0.229044 >0.05, so the data was normally distributed. The autocorrelation test uses a DW test that shows the prob value shows a DW value of 2.052593, a DW value with a criterion of du < dw < 4 – du, indicating that the value is greater than the DU value and 4-DU. Thus, it can be concluded that the data does not contract the symptoms of autocorrelation. The results of the heteroskedasticity test above-obtained data on the significant value of each variable more than 0.05 (sig.>0.05). This means that homochemicity occurs, or there is no problem of heteroskedasticity. Based on the results of the multicollinearity test above-obtained relationship data of each variable does not exceed 0.8 or less 0.8. This means that every variable does not occur in multicollinearity.

Hypothesis testing

Table 4. Determination coefficient test results (R^2)

R-squared	0.544205	Mean dependent var	-0.009689
Adjusted R-squared	0.485393	S.D. dependent var	0.033054
S.E. of regression	0.023712	Akaike info criterion	-4.517464
Sum squared resid	0.017429	Schwarz criterion	-4.297531
Log likelihood	86.31435	Hannan-Quinn criter.	-4.440701
F-statistic	9.253268	Durbin-Watson stat	1.413682
Prob(F-statistic)	0.000048		

Based on the test results in table 4, the coefficient of determination of R-Squared is 0.544205. This means that the influence of independent variables on dependent variables is 54.42%. The remaining 45.58% were other factors or other variables that were not studied in this study.

T test

The t-test helps know the influence of the answers to individual research hypotheses of each variable measured using coefficient values and significance. If the sig value<0.05, the independent variable can significantly affect the dependent variable.

Table 5. Test results T

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.007638	0.004393	-1.738797	0.0920
D(X1,2)	0.138545	0.145122	0.954678	0.3471
D(X2,2)	-0.043533	0.007333	-5.936555	0.0000
D(X3,2)	-0.006543	0.003777	-1.732250	0.0932
D(Z,2)	0.003950	0.003427	1.152806	0.2578
C	-0.008903	0.008848	-1.006213	0.3214
D(X4,2)	0.002098	0.007508	0.279381	0.7816

The results of the t-test above include:

The coefficient value of the corporate social responsibility variable is 0.138545, and the probability value is 0.3471 > 0.05. This means that corporate social responsibility does not influence profitability. The coefficient value of the capital structure variable is -0.043533, and the probability value is 0.0000 < 0.05. This means that the frequency of capital structure significantly negatively influences profitability. The coefficient value of the current ratio variable is -0.006543, and the probability value is 0.0932 > 0.05. This means that the current ratio does not significantly influence profitability. The variable coefficient value of the firm size is

0.002098, and the probability value is 0.7816 > 0.05. This means that the Firm size does not significantly influence profitability.

MRA test results

Table 6. Test results MRA

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.011664	0.009666	-1.206672	0.2364
D(X1,2)	-0.434082	0.486149	-0.892899	0.3786
D(Z,2)	0.001795	0.007644	0.234881	0.8158
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.006083	0.005773	-1.053803	0.2999
D(X2,2)	-0.072934	0.009502	-7.675928	0.0000
D(Z,2)	0.004121	0.005408	0.762045	0.4516
M2	-0.022137	0.046086	-0.480335	0.6343

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.007938	0.009398	-0.844730	0.4045
D(X3,2)	-0.005837	0.008434	-0.692018	0.4939
D(Z,2)	0.000842	0.007765	0.108469	0.9143
M3	0.043912	0.061070	0.719050	0.4773

Sig value probability is 0.6105 > 0.05. This means that the firm size cannot moderate corporate social responsibility on profitability. Sig value probability is 0.6343 > 0.05. This means that the Firm size cannot moderate the Capital Structure on Profitability. The sig value probability is 0.4773 > 0.05. This means that the Firm size cannot moderate the current ratio of profitability.

F Test

The F test analyzes the influence of independent variables on dependent variables simultaneously or together measured using coefficient values and significance. If the sig value<0.05 means a significant effect on the dependent variable.

Table 7. Test results F

R-squared	0.544205	Mean dependent var	-0.009689
Adjusted R-squared	0.485393	S.D. dependent var	0.033054
S.E. of regression	0.023712	Akaike info criterion	-4.517464
Sum squared resid	0.017429	Schwarz criterion	-4.297531
Log likelihood	86.31435	Hannan-Quinn criter.	-4.440701
F-statistic	9.253268	Durbin-Watson stat	1.413682
Prob(F-statistic)	0.000048		

Based on the test results in table 7, the probability value of the F-statistic is 0.000048 < 0.05. This means that the variables corporate social responsibility, capital structure, and current ratio significantly influence the profitability variable.

Discussion of hypothesis test results

Based on tests that have been done with multiple regression analysis, the results obtained are as follows:

The effect of corporate social responsibility on profitability

The results showed that H1 was rejected, stating that Corporate Social Responsibility could not affect profitability. The coefficient value of the corporate social responsibility variable is 0.138545, and the probability value is 0.3471 > 0.05. This means that corporate social responsibility does not influence profitability. The test results align with the research by Pratiwi et al. (2020), which explained that CSR does not affect ROA (profitability). This happens because CSR is a long-term strategy to maintain the company's sustainability. At the same time, profitability is a financial picture in the short term, so the two do not influence each other.

The effect of capital structure on profitability

The coefficient value of the capital structure variable is -0.043533, and the probability value is 0.0000 < 0.05. This means that the frequency of capital structure significantly negatively influences profitability. This shows that H2 is accepted, which states that the capital structure significantly negatively affects profitability. The test results are in line with the results of research that has been studied by Astivasari & Siswanto (2018a), which explains that capital structure can affect profitability negatively. Thus, the results show that if the value of the capital structure increases, profitability will decrease, which means that the increase in debt owned by the company can reduce company profits.

The higher the value of the capital structure, which is judged by the increase in company debt, indicates that the company has a dependence on outside parties, which, if the higher the debt owned by the food company, will have an impact on the health of the business and result in a decrease in the company's profit generation.

Effect of current ratio on profitability

The coefficient value of the Current Ratio variable is -0.006543, and the probability value is 0.0932 > 0.05. This means that the current ratio does not significantly influence profitability. This shows that H3 is rejected, stating that the Current Ratio does not significantly influence profitability. The test results follow the research by Widiyanti & Bakar (2014), which found that the current ratio cannot affect profitability. This means that the higher number of current ratios in a company can not affect the company's profitability. This means that a low value in the Current Ratio indicates that the company is in liquidation. Still, if the Current Ratio value is high, there are a lot of idle funds, so the funds are not used properly, which causes the company's profitability to decline.

The effect of firm size on profitability

The variable coefficient value of the Firm Size is 0.002098, and the probability value is 0.7816 > 0.05. This means that the Size of the Firm does not have a significant influence on profitability. This shows that H4 is rejected, stating that the firm size has no bearing on profitability. The results of the test are in line with the results of research that has been researched by Nurdiana (2018), which resulted in the firm size being unable to affect profitability. This means that if the firm size is high, it will not reduce or reduce profitability. This happens when the company's assets rise but are not balanced with the plurality of good asset management, so it cannot affect profitability.

The effect of corporate social responsibility on profitability is moderated by firm size

The sig value probability is 0.6105 > 0.05. This means that the firm size cannot moderate corporate social responsibility on profitability. This means that H5 is rejected, which states that the Firm size cannot moderate corporate social responsibility on profitability. The test results align with the results of research that has been studied by Febriayanti (2020), which shows that the firm size is unable to strengthen the relationship between CSR and Profitability. The firm size will not affect the company's social responsibility disclosure.

For example, the companies are Astra International Tbk. and Kalbe Farma Tbk. We know that these companies are very well known by the public and belongs to large companies, but only makes a small disclosure of corporate social responsibility. This is because some investors do not consider it too important to disclose CSR made by the company.

The effect of capital structure on profitability is moderated by firm size

Sig value probability is 0.6343 > 0.05. This means that the firm size cannot moderate the capital structure on profitability. This means that H6 is rejected, stating that the firm size can moderate the capital structure on profitability.

The firm size is a determination of the size of a company which is seen from the number of assets owned. Basically, the firm size can help the company gain the trust of the capital giver to provide its capital in the form of debt. The test results align with the results of research by Astivasari & Siswanto (2018a), which shows that the firm size cannot strengthen the relationship between capital structure and profitability.

The effect of the current ratio on profitability is moderated by firm size

The sig value probability is 0.4773 > 0.05. This means that the Firm size cannot moderate the current ratio of profitability. This means that under H7 is rejected, stating that the firm size cannot moderate the current ratio on profitability. The sig value probability is 0.4773 > 0.05. This means that the firm size cannot moderate the current ratio of profitability. This means that under H7 is rejected, stating that the firm size cannot moderate the current ratio on profitability.

Conclusion

This research aims to analyze the influence of corporate social responsibility variables, capital structure, and current ratio on profitability moderated by firm size in companies in the Jakarta Islamic Index for 2016-2020. After testing these variables using regression analysis, the results show that corporate social responsibility, capital structure, and current ratio significantly affect profitability.

Corporate social responsibility does not influence profitability in companies listed in the Jakarta Islamic Index. These results mean that higher or lower CSR disclosures do not affect profitability. Capital structure significantly negatively influences profitability in companies listed in the Jakarta Islamic Index. Such results mean that the higher the amount of capital structure will lower the level of profitability. The current ratio does not significantly influence profitability in companies listed in the Jakarta Islamic Index. This result means that the higher number of current ratios will not affect the level of profitability. The firm size does not significantly influence profitability in companies listed in the Jakarta Islamic Index. This result means that the higher the value of the company's size does not change the level of profitability.

The firm size cannot moderate the corporate social responsibility of the company's profitability listed in the Jakarta Islamic Index. The firm size cannot moderate the capital structure on the profitability of companies listed in the Jakarta Islamic Index. The firm size cannot moderate the current profitability ratio of companies listed in the Jakarta Islamic Index.

Based on the results of research that researchers in previous chapters have explained, the researcher advises that the following researchers can add variables further and develop factors that can affect the occurrence of profitability actions in a company. Further researchers can also replace the object of research in other sector companies to provide company financial information and the results of a more varied study on factors that can affect profitability in a company. For issuers is recommended to increase the company's profitability so that investors believe in investing in it.

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