The Influence of Capital Structure and Corporate Social Responsibility on Profitability of Companies Listed in the LQ45 Index for the 2022 - 2025 Period

By Alfian Abdillah

Abstract

This study aims to examine the effect of Capital Structure and Corporate Social Responsibility (CSR) on the profitability of companies listed in the LQ45 Index during the 2022–2025 period. Employing a quantitative research approach, secondary data were collected from the companies' annual financial reports and sustainability reports. Using a purposive sampling technique, 29 companies were selected as the research sample, resulting in 116 panel data observations. In this study, Capital Structure was measured using the Debt-to-Equity Ratio (DER), Corporate Social Responsibility was measured using the Corporate Social Responsibility Index (CSRI), and profitability was measured using Earnings per Share (EPS). In addition, Firm Size, measured by the natural logarithm of total assets, was included as a control variable. The data were analyzed using panel data regression with STATA 14 software. The findings indicate that Capital Structure and Corporate Social Responsibility do not have a statistically significant effect on profitability. In contrast, Firm Size has a positive and statistically significant effect on profitability. This study is subject to several limitations, including the relatively low explanatory power of the independent variables in explaining variations in profitability and the relatively short observation period, which covers only four years.

Keywords: Capital Structure; Corporate Social Responsibility; Profitability; Debt to Equity Ratio; Earnings Per Share; LQ45.

Pengaruh Struktur Modal dan Corporate Social Responsibility terhadap Profitabilitas pada Emiten yang Terdaftar dalam Indeks LQ45 Periode 2022-2025

Oleh Alfian Abdillah

Abstrak

Penelitian ini bertujuan untuk mengkaji dampak Struktur Modal dan *Corporate Social Responsibility* (CSR) terhadap Profitabilitas perusahaan yang tergabung dalam indeks LQ45 selama periode 2022–2025. Menggunakan pendekatan kuantitatif, data sekunder dikumpulkan dari laporan keuangan tahunan dan laporan keberlanjutan perusahaan. Melalui metode *purposive sampling*, sebanyak 29 perusahaan dipilih sebagai sampel, sehingga menghasilkan 116 data observasi. Dalam studi ini, Struktur Modal diukur menggunakan *Debt to Equity Ratio* (DER), CSR dievaluasi melalui *Corporate Social Responsibility Index* (CSRI), dan Profitabilitas dinilai berdasarkan *Earning Per Share* (EPS). Selain itu, Ukuran Perusahaan (*Firm Size*) yang dihitung dari logaritma natural total aset turut dilibatkan sebagai variabel kontrol. Data tersebut kemudian dianalisis dengan metode regresi data panel menggunakan perangkat lunak STATA 14. Hasil analisis membuktikan bahwa Struktur Modal dan CSR tidak memiliki pengaruh yang signifikan terhadap Profitabilitas. Sebaliknya, Ukuran Perusahaan terbukti memberikan dampak yang positif dan signifikan terhadap Profitabilitas. Penelitian ini memiliki beberapa keterbatasan, yaitu rendahnya kemampuan variabel independen dalam menjelaskan fluktuasi profitabilitas, serta rentang waktu pengamatan yang cukup singkat, yakni hanya empat tahun.

Kata Kunci: Struktur Modal; *Corporate Social Responsibility*; Profitabilitas; Debt to Equity Ratio; *Earning Per Share*; LQ45.