

THE EFFECT OF GREEN BANKING, CORPORATE SOCIAL RESPONSIBILITY AND PROFITABILITY ON COMPANY VALUE IN THE BANKING SECTOR LISTED ON THE IDX

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Received : 01 September 2025

Published : 15 October 2025

Revised : 20 September 2025

DOI : <https://doi.org/10.54443/jaruda.v4i2.272>

Accepted : 05 October 2025

Link Publish : <https://jaruda.org/index.php/go>

Abstract

This study aims to analyze the effect of Green Banking, Corporate Social Responsibility (CSR), and profitability on firm value in the banking sector listed on the Indonesia Stock Exchange (IDX) during the 2020–2023 period. Firm value is proxied by Price to Book Value (PBV). The independent variables used are Green Banking (X1), CSR (X2), and profitability measured by Return on Assets (ROA) (X3). This research employs a quantitative method using secondary data obtained from the annual reports and sustainability reports of banks listed on the IDX. The sample was selected using a purposive sampling method, resulting in 37 companies with a total of 148 observations. Data analysis was conducted with the aid of EViews software through panel data regression. The best model was determined using the Chow test and Hausman test. The results show that Green Banking has no effect on firm value. CSR has a negative and significant effect on firm value. Profitability (ROA) has a negative and significant effect on firm value.

Keywords: *Green Banking, Corporate Social Responsibility, Profitability, Firm Value*

INTRODUCTION

In today's business world, business success is crucial and requires proper management. A company's primary goal is to increase its value by maximizing profits, thereby improving the well-being of its shareholders. In other words, shareholder well-being can be measured through the company's value. Generally, a company's value can be measured through its share price. The fluctuations in share prices are influenced by the company's financial condition, which frequently fluctuates over time. Therefore, the higher a company's share price, the higher its value. (Handriani & Robiyanto, 2018) One important indicator of market perception of a company's performance is its value. In the banking industry, stock price, capital gains, and price-to-book value (PBV) are three primary ways a company demonstrates its value. These values are crucial for investors because they reflect the company's profit potential and the level of confidence in its management. Company value is very important because the prosperity of investors is reflected by the increase in company value which is proven by the increase in the company's share price. (Purba & Mahendra, 2022) Corporate value is a crucial indicator in the stock market that can influence investor perceptions.

To ensure that corporate value continues to grow and develop sustainably, not only financial performance is considered, but environmental issues also play a crucial role in achieving sustainable corporate performance, which will enhance positive investor perceptions and corporate value. (Surya et al., 2023). Company value plays a strategic role because its growth is directly related to the improved performance of all divisions within the company, which in turn reflects the prosperity of the company's owners. Increasing company value indicates good performance, which can attract investors to invest in the company. (Murdiono et al., 2023). The current challenges facing banking companies are closely related to high funding costs, credit quality risks, global economic uncertainty, and the need for adequate liquidity to maintain optimal value. The phenomenon of banking companies in Indonesia shows that company values have changed significantly since their inception. For example, several large banks, such as Bank Rakyat Indonesia (BBRI) and Bank Central Asia (BBCA), have experienced rapid increases in their company values in recent years. This growth has been driven by strong profitability, digital transformation, and consistent implementation of sustainability policies. Conversely, other banks have experienced declining business values despite

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stable financial performance, indicating that non-financial elements such as green banking and CSR also play a role in shaping market perceptions. Furthermore, the banking industry faces pressure from environmental regulations, demands for transparency, and investors preferring businesses dedicated to sustainability. This has encouraged companies to focus on increasing their value both financially and in terms of social and environmental responsibility. However, the Indonesian banking sector still faces many challenges in implementing Green Banking and CSR. These include the absence of consistent standards, a lack of internal awareness, and the belief that CSR activities are merely formalities. This raises questions about the extent to which CSR and Green Banking contribute to increasing corporate value in the banking sector. Furthermore, a company's value is influenced by its size, as the larger the company, the easier it is to obtain financing to achieve its goals. On the other hand, this can result in large debts because the company takes little risk in meeting its obligations.(Indriyani, 2017). Essentially, a company's value can be measured through several aspects, one of which is the company's share price. If a company's value can be proxied by its share price, then maximizing its value is the same as maximizing its share price. A decline in company value is caused by a decline in its share price.(Rosiana et al., 2022). Several previous studies measured company value using Tobin's Q (Prasetyo, 2020). Tobin's Q is a financial ratio used to compare a company's stock market price with its book value per share. Price Book Value (PBV) (Hidayat & Khotimah, 2022)Price Book Value (PBV) is a ratio that compares the stock price per share to the book value per share. However, in this study, researchers measured company value using PBV.

Based on the initial observations made by the author, the following data was obtained:

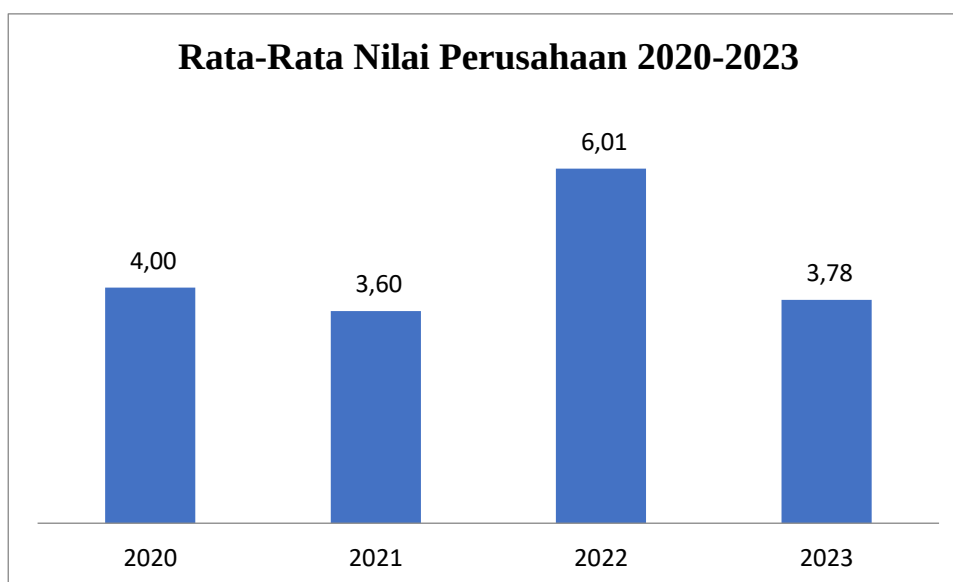


Figure 1.1 Average Company Value 2020-2023

Figure 1.1 shows that the company's value fluctuates significantly. In 2020, the company's value was 4.00, but in 2021, it decreased to 3.60. Then, in 2022, it increased again to 6.01. In the final year of the study, 2023, it decreased again to 3.78. This fluctuation in company value is, of course, influenced by several factors, both internal and external. In this study, the factors examined are Green Banking, Corporate Social Responsibility, and Profitability. Several factors influencing company value that have been studied by previous researchers include: Purba and Mahendra, (2022) stated that Green Banking has a positive effect on company value, which is different from the results studied by Wiratno and Yustrianthe, (2022) states that Green Banking has a negative effect on company value. (Utami, (2020) states that corporate social responsibility has a positive effect on company value, however, Ungusari, (2015) shows that corporate social responsibility has a negative effect on company value. Furthermore, the study conducted by Fdiah et al., (2022) found that profitability has a positive effect on the value of different companies studied by Chairunnisa, (2019) which states that profitability negatively impacts company value. Green Banking is a form of banking corporate governance that refers to business processes that care about the environment, to create sustainable and integrated banking company growth across social, economic, and environmental aspects.(Simanungkalit, 2022). Amidst growing global awareness of sustainable development, environmental issues, and climate change, the concept of green banking has become a major focus of the banking industry in recent years.

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Green financing, energy efficiency, service digitization, and environmentally conscious lending policies are examples of green banking approaches that aim to integrate environmental elements into all business processes and bank operations. This sensitivity to the importance of conducting business while maintaining environmental sustainability is applied through Green Banking. Green Banking in the banking sector is defined as environmental responsibility by implementing sound strategies for sustainable economic development. Green Banking policies can be implemented internally within banks and motivate customers to adopt these policies. (Winarto et al., 2021). Green Banking practices recommend that in terms of banking operations, it is much better to implement online banking, mobile banking and green cards whose materials can be recycled so that they can be more paperless. (Nath et al., 2014). Banks that implement green banking in their work activities will make better use of technological advances and the internet, which are currently developing rapidly, so that banking activities that were previously paper-based can become paperless, thus reducing the carbon footprint and carbon emissions. (Anggraini et al., 2020). The concept of green banking has become increasingly widespread in recent years. The principles of green banking can be applied to credit and financing, while maintaining a balance between environmental sustainability, socio-cultural development, and human well-being. (Hanif et al., 2020) Financial institutions are in a strategic position to play a role in creating and sustaining the much-desired green revolution for the planet. Although the use of natural resources in banking operations is not as extensive as in other industrial sectors, such as processing and mining, the banking sector is also not immune to the problem of increasing environmental damage. Environmental damage will increase if banks provide credit or loans to their customers without paying attention to the operational activities of their customers that can cause environmental damage. (Romli & Zaputra, 2021).

Several major banks listed on the Indonesia Stock Exchange (IDX), for example, have expressed their commitment to green banking. To reduce paper use, Bank Rakyat Indonesia (BRI) is developing green financing products and digitizing the MSME credit process. Bank Negara Indonesia (BNI) is actively providing financing to the renewable energy sector and also participating in green bond issuances. To improve operational efficiency, Bank Mandiri is implementing renewable energy in several of its branches and providing loans to environmentally friendly projects. However, many challenges persist in Indonesia's implementation of green banking. Due to limited resources, a lack of understanding of environmental risks, and the lack of standardized and comprehensive reporting standards, most banks are unable to develop environmentally friendly products. Furthermore, some still believe that green financing carries greater risks and is not financially profitable in the short term. However, regulatory pressure, institutional investor demands for ESG principles, and increasing public awareness of sustainability have made Green Banking a crucial strategy. This can impact a company's reputation and increase its value. With financial markets becoming increasingly environmentally friendly, the implementation of green banking has become a strategic necessity for banks to remain competitive, sustainable, and relevant in the transition to a green economy. Research on Green Banking conducted by Hakim et al. (2024) found that Green Banking variables have a positive effect on company value. However, the results of this study differ from research conducted by Romli and Zaputra, (2021). which states that Green Banking has a negative impact on company value.

Corporate social responsibility Corporate Social Responsibility (CSR) is a series of responsible actions undertaken by companies that are not solely oriented towards profit or corporate value. This thinking is based on the 3Ps, which mean that the company's business objectives are not solely to generate profit, but also to provide for the welfare of the community (people) and preserve the environment (planet). This concept is known as the triple bottom line. (Hastuti & Kusumadewi, 2023). By paying attention to this concept, it is hoped that the value of the Company can be increased and shareholder welfare can be improved by paying attention to financial and non-financial potential so that the Company's existence is maintained. (Hastuti & Kusumadewi, 2023) Furthermore, many companies stated that corporate social responsibility is something that needs to be considered, because apart from financial responsibility to shareholders, of course companies must also pay attention to responsibility to stakeholders in the environment in which the company is located. (Siahaan & Herijawati, 2023). The Company has various forms of responsibility towards all its stakeholders, including consumers, employees, shareholders, communities, and the environment in all aspects of the Company's operations, which include economic, social, and environmental aspects. (Nuswandari et al., 2019). Companies that engage in CSR have incurred certain costs. These costs ultimately become a burden that reduces revenue, leading to a decline in the company's profit level. (Syahwildan et al., 2021) However, by implementing CSR, the company's image will improve, resulting in higher consumer loyalty. Frequently increasing consumer loyalty over a long period of time will lead to improved company sales, and ultimately, with the implementation of CSR. Furthermore, by implementing CSR, it is expected that the company's profitability will also increase. Therefore, CSR plays an important role in increasing company value as a result of increasing company sales by carrying out various social activities in the surrounding environment. (Adolph, 2016).

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Although Indonesian banking is not directly involved in the industry, many major banks have voluntarily and strategically adopted social and environmental responsibility (CSR) initiatives. This has been particularly evident since Law No. 40 of 2007 concerning Limited Liability Companies, which requires companies, particularly those operating in or related to natural resources, to implement these responsibilities. Some examples of CSR within the banking industry include: Bank Rakyat Indonesia's (BRI) BRI Cares program covers education, health, and the environment, as well as community economic empowerment through training for small and medium enterprises (MSMEs). Educational CSR programs, such as financial literacy, school construction, and teacher training, are a common practice among Bank Central Asia (BCA). Bank Mandiri's Mandiri Sahabatku and Wirausaha Muda Mandiri programs aim to encourage the growth of small and medium enterprises and enhance the capacity of the younger generation.

Banks utilize CSR as a form of social responsibility and a way to enhance corporate reputation (brand image), expand market share, increase customer loyalty, and create long-term value for shareholders. In the capital market, investor perceptions of a company can be influenced by consistent and robust CSR reports. However, structured and measurable CSR can have a real impact on society and the company's sustainability amidst increasingly fierce industrial competition. This is due to several constraints, such as limited budgets, the perception that CSR is merely a formality or a charitable activity, and the lack of integration between CSR and core business strategies. This indicates that CSR has evolved from being perceived as a burden or obligation to becoming part of the strategic added value of companies, including in the banking sector. The goal is to increase company value and enhance its attractiveness to investors and the general public. Research by Sulbahri (2021) states that corporate social responsibility has a positive effect on company value. However, this differs from the results found by Ria and Yuli Prastyatini, (2021), Sulbahri, (2021) and Maspupah, (2020) who stated that corporate social responsibility has a negative effect on company value.

Another factor influencing company value is profitability. Profitability is a company's ability to generate profit over a period of time. The higher a company's profits, and the higher their annual increases, the more investors will be attracted to the company, with the expectation of higher returns in the future, which will ultimately increase the company's value. (Nursasi & Nurdanna Faizah, 2022) Profitability further demonstrates a company's ability to generate profits through indicators such as total assets, total sales, and net profit on equity. These indicators are often measured using Return on Assets (ROA) and Return on Equity (ROE) to assess how effectively management manages the company's assets to generate profits. (Khoiriah, 2019). Profitability also indicates a company's ability to generate returns on its asset management. Higher profitability indicates a higher efficiency in generating profits and maximizing shareholder wealth. Profitability is a ratio used to assess a company's ability to generate profits. Experience in the Indonesian banking industry shows that numerous internal and external factors influence bank profitability. Large banks such as Bank Central Asia (BCA), Bank Mandiri, and Bank Rakyat Indonesia (BRI) have maintained stable profitability levels and even increased in recent years, despite facing global economic challenges, the pandemic, and intense digital banking competition (Widyastuti et al., 2022). According to data from the Financial Services Authority (OJK), the Indonesian banking industry has shown a positive trend in profitability following the COVID-19 pandemic. Since 2022, ROA and ROE for conventional commercial banks have increased rapidly, driven by increased lending, operational cost efficiencies, and digitalization strategies that reduce costs and increase non-interest income. However, not all banks have experienced increased profitability. Some small and medium-sized banks continue to experience profitability pressures due to high levels of non-performing loans, limited capital, and thin profit margins. In addition, digital transformation, which requires large investments, is a challenge for banks with limited capital.

Profitability indicates a bank's ability to generate profits for shareholders, which is a crucial factor in determining a company's value. Banks with high profitability tend to be more attractive to investors and can increase market valuations. This is because investors typically assess business prospects based on the rate of return on capital they generate. However, new challenges arise in the context of sustainability and social responsibility: how banks can maintain profitability while remaining committed to Green Banking and CSR practices, which require long-term investment and costs. Consequently, profitability is now assessed not only from a financial perspective, but also from how businesses incorporate sustainability principles into their business strategies. Research on profitability, conducted by Herianti et al., (2023) Ambarwati et al. (2021) and Chasanah (2019) found that profitability has a significant positive effect on firm value. However, these results contradict research by Putri and Deannes (2023) and Putra and Sunarto (2021), which found that profitability has a negative effect on firm value.

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LITERATURE REVIEW

The Influence of Green Banking on Company Value

Green Banking Green Banking is a concept that emphasizes environmental sustainability in its operational activities. Environmentally friendly banking practices can have a positive and significant impact on a company's value, as reflected in the company's PBV (Price to Pay-To-Earn Value). PBV is a ratio comparing a stock's price to its book value per share. Green Banking is expected to actively contribute to increasing company value. This is in line with research conducted by Hastuti and Kusumadewi, (2023). Referring to previous studies, it has been found that green banking has a significant impact on company value as measured by PBV. (Winarto et al., 2021)

H1: Green Banking has a positive and significant effect on Company Value.

The Influence of Corporate Social Responsibility on Company Value

Companies that implement CSR aim to avoid conflict between the company and its stakeholders by gaining their trust. Trusted companies will receive more attention from investors, thus increasing stakeholders' interest in collaborating or investing in the company (Sulbahri, 2021). The greater investor interest in collaborating with a company, the higher the company's share price, which in turn increases the company's value. Research conducted by Cristofel & Kurniawati (2021), Harahap et al. (2020), and Dewi and Sanica (2017) revealed that CSR significantly influences company value. Based on the above research results and the proposed theory, the following hypothesis is proposed:

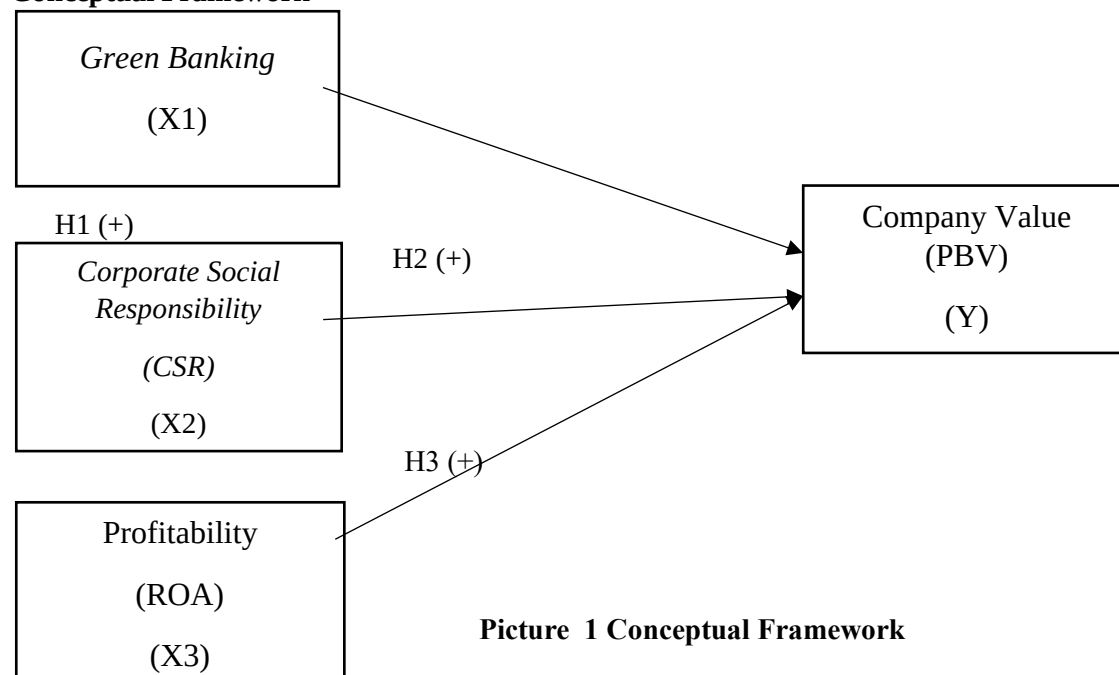
H2: Corporate Social Responsibility has a positive effect on Company Value.

The Influence of Profitability on Company Value

A profitability ratio is a comparison used to determine a company's ability to generate profit from revenue (earnings) related to sales, assets, and equity, based on a specific measurement basis. This ratio also indicates a company's efficiency. From an investor's perspective, profit growth is a key indicator for assessing a company's future prospects (Ummah & Yuliana, 2023). The profitability ratio is required for recording financial transactions, typically assessed by investors and creditors (banks). Its purpose is to assess the amount of investment return investors will receive (Okrariansyah, 2020). Furthermore, this ratio can also measure a company's profit to assess its ability to repay debts to creditors based on the level of asset and resource utilization, thus demonstrating the company's efficiency. The higher the ratio, the better the company's condition, based on the profitability ratio. A high value indicates a high level of profit and efficiency, as evidenced by revenue and cash flow (Aisyah et al., 2023). Research by Septiani and Indrasti (2021) and Inayah (2022) suggests that profitability has a positive effect on company value. Based on the aforementioned research findings and the proposed theory, the following hypothesis is proposed:

H3: Profitability has a positive effect on company value. will theoretically connect the research variables, namely independent variables and dependent variables.

Conceptual Framework



Picture 1 Conceptual Framework

METHOD

Research Location and Object

The research location conducted in this study is a banking company listed on the Indonesian Stock Exchange by accessing the official website. www.idx.co.id The objects to be studied in this research are Green Banking, corporate social responsibility and profitability towards company value.

Population and Sample

A population is a complete collection of objects consisting of people, events, or objects that share common characteristics in a study. A population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn. Ghozali, (2011) The population used in this study is all banking companies listed on the Indonesia Stock Exchange, totaling 47 companies for the 2020-2023 period. The sample is a subset of the population with the same number and characteristics. Ghozali, (2011) The method used for sampling in this study was purposive sampling because the population that will be used as a research sample is a population that meets certain criteria as desired, with the sample selection criteria as follows:

Table 1
Sample Selection Criteria

No	Sample Criteria	Amount
1.	Banking sector companies listed on the Indonesia Stock Exchange (IDX) in 2020-2023	46
2.	Banking sector companies that inconsistently publish financial reports for the 2020-2023 period	9
Total Sample		37
Total Observations for 4 Years (4x23)		148

Source: Data processed by researchers, 2025

According to the established criteria, there are companies that meet the requirements as research samples. Using panel data for 4 years, the total sample in this study was 37 observations.

Data Types and Sources

This research uses a quantitative approach. According to [the original text], quantitative research is research that uses measurements, calculations, formulas, and the certainty of numerical data in planning, processing, developing hypotheses, techniques, data analysis, and drawing conclusions. In conducting this research, the type of data used is secondary data. According to [the original text] Ghozali, (2011) Secondary data is data obtained indirectly, or in other words, data obtained from pre-existing sources. The secondary data in this study consists of the annual financial reports of each company for the 2020-2023 period. This data was obtained from the Indonesia Stock Exchange website, www.idx.org. www.idx.co.id.

Data Collection Techniques

In accordance with the type of data used in this study, namely secondary data, the data collection techniques used in this study are documentation and literature study techniques. Documentation techniques are data collection techniques by searching for data and studying data regarding matters in the form of notes, reports, required documents such as financial report data and annual reports of banking companies listed on the Indonesia Stock Exchange for 2020-2023. Literature studies are carried out by collecting materials, data, or references related to the variables to be studied, namely by using various literature such as books, journals, articles, theses, and other literature related to the variables being studied as theoretical guidelines.

RESULTS AND DISCUSSION

Normality Test

To determine whether data is normally distributed or not, a normality test can be used. In this study, the Jarque-Bera test was used to determine whether the data in the study were normally distributed or not. The differences in skewness and kurtosis of the data were measured and compared to whether the data were normally distributed. The results of the normality test are presented in the following table and figure. Based on the Jarque-Bera (JB) test results from the EViews output, the following values were obtained:

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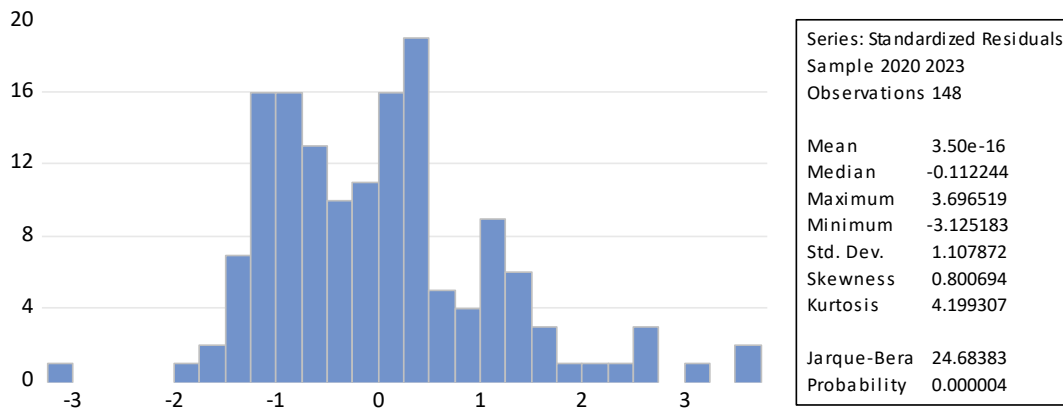


Figure 2 Histogram of Data Normality

Based on Figure 2, it can be seen that the calculation results show a Jarque-Bera value of 24.68383 with a probability (p-value) of 0.00000. This probability value is much lower than the significance level of 0.05. Therefore, based on the testing criteria, it can be concluded that the data in this study is not normally distributed. According to Ghozali, (2016), abnormal data distribution is caused by high fluctuations in each data item.

Multicollinearity Test

The purpose of multicollinearity testing is to determine whether a correlation exists between independent variables in a regression model. When there is no correlation between independent variables, it can be said to be a good regression model.(Ghozali, 2011). The results of the multicollinearity test are explained as follows:

Table 2 Multicollinearity Test Results

	GB	CSR	ROA
GB	1,000,000	-0.249906	-0.086950
CSR	-2.249906	1,000,000	-0.021022
ROA	-0.086950	-0.021022	1,000,000

Source: Eviews Output, (Data processed by Researcher), 2025

Based on the table above, it can be seen that all values in the research variable table have correlation values below 10. Therefore, it can be concluded that there is no multicollinearity in this study. This means that all independent variables in this study, namely GB, CSR, and ROA, have no relationship or correlation. It can be concluded that the regression model meets the assumption of no multicollinearity, allowing for the next stage of classical assumption testing.

Heteroscedasticity Test

The purpose of the heteroscedasticity test is to test whether there are differences in residual variance between one observation and another in a regression model. In this study, the heteroscedasticity test uses the Glejser test.

Table 3 Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.769357	0.209947	3.664522	0.0003
GB	0.282807	0.263180	1.074575	0.2844
CSR	-0.507526	0.325888	-1.557361	0.1216
ROA	0.028402	0.038478	0.738122	0.4616

Source: Eviews Output, (Data processed by Researcher), 2025

. Based on table 3 above, it can be seen that all independent variables in the Glejser test are above 0.05, so it can be concluded that this study is free from heteroscedasticity symptoms.

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Autocorrelation Test

The autocorrelation test aims to detect correlations or relationships between residuals in a regression model. If correlations are found in a study, this is called an autocorrelation problem. Autocorrelation typically arises because sequential observations over time are related to each other.

Table 4 Autocorrelation Test Results

R-squared	0.103762	Mean dependent var	0.188090
Adjusted R-squared	0.085090	SD dependent var	0.772977
SE of regression	0.739359	Akaike info criterion	78.71789
F-statistic	5.557202	Durbin-Watson stat	1.943828
Prob(F-statistic)	0.001229		

Source: Eviews Output, (Data processed by Researcher), 2025

Based on table 4 above, it shows that the Durbin-Watson stat value is 1.943828. This value is between -2 and 2. This indicates that there is no autocorrelation in the regression model used in this study. Thus, the classical assumption for freedom from autocorrelation is met, and the model is suitable for use in multiple regression analysis. Therefore, it can be concluded that the Bang Ras research model has met all classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), so that the regression results can be interpreted validly.

Panel Data Regression

Model Selection Techniques

To ensure the optimal model is used and fits the data characteristics, appropriate model selection techniques are necessary. There are three types of panel data regression: the Common Effects Model (CEM), the Fixed Effects Model (FEM), and the Random Effects Model (REM).

Chow Test

The results of the Chow test on the influence of Green Banking, Corporate Social Responsibility and Profitability on Company Value in banking companies listed on the IDX in Indonesia are as follows:

Table 5 Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	5.979309	(36,108)	0.0000
Cross-section Chi-square	162.253969	36	0.0000

Source: Eviews Output, (Data processed by Researcher), 2025

Based on the table above, the p-values for Cross-section F and Chi-square are both $0.0000 < 0.05$, so H_0 is rejected. This means that the more appropriate model to use is the Fixed Effect Model (FEM) compared to the Common Effect Model (CEM).

Hausman test

The Hausman test is used to determine the more appropriate model between the Fixed Effect Model (FEM) and the Random Effect Model (REM). The results of the Hausman test on the influence of Green Banking, Corporate Social Responsibility, and Profitability on Company Value in banking companies in Indonesia are as follows:

Table 6 Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq df	Prob.
Cross-section F	0.373310	3	0.9457

Source: Eviews Output, (Data processed by Researcher), 2025

Based on the Hausman test results, the p-value = $0.9457 > 0.05$, so H_0 is accepted and H_1 is rejected. This means that the Random Effect Model (REM) is more appropriate to use than the Fixed Effect Model (FEM). Thus, the Fixed Effect Model (FEM) is the best model in this study.

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Panel Data Regression Estimation

Based on the results of the Chow and Hausman tests, the Random Effects Model (REM) was used in this study. This model was estimated to determine the direction, magnitude, and significance of the variables Green Banking (GB), Corporate Social Responsibility (CSR), and Profitability (ROA) on Firm Value (PBV) in the banking sector listed on the IDX.

Table 7 Results of Panel Data Regression Estimation (REM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.425153	0.344880	1.232755	0.2197
GB	0.099571	0.448532	0.221994	0.8246
CSR	-1.782980	0.461395	-3.864328	0.0002*
ROA	0.059765	0.055760	1.071838	0.2856
R-squared	0.103762	Mean dependent var		0.188090
Adjusted R-squared	0.085090	SD dependent var		0.772977
SE of regression	0.739359	Akaike info criterion		78.71789
F-statistic	5.557202	Durbin-Watson stat		1.943828
Prob(F-statistic)	0.001229			

Source: Eviews Output, (Data processed by Researcher), 2025

Based on table 4.9 calculations from this panel data regression test, the constant value (α) of the regression model is obtained = 0.425153 and the regression coefficient (β) of each independent variable is obtained $\beta_1 = 0.099571$, $\beta_2 = -1.782980$ and $\beta_3 = 0.059765$. Based on the constant value and the regression coefficient value, the relationship between the independent variable and the dependent variable in the regression model can be formulated as follows:

$$PBV = 0.425153 + 0.099571 * X_1 - 1.782980 X_2 + 0.059765 * X_3$$

From the equation it can be explained that the constant value (α) is 0.425153, meaning that if the company value variable Simply put, this shows that when all independent variables are zero, the dependent variable will have a positive value of 0.425153. The regression coefficient value of the Green Banking variable (X_1) is 0.099571. This indicates that there is a positive relationship to company value. Every 1% increase in capital structure will increase the company value by 0.099571. The regression coefficient value of the Corporate Social Responsibility variable (X_2) is -1.782980. This indicates that there is a negative relationship to company value. Every 1% increase in Corporate Social Responsibility will decrease the company value by -1.782980. The regression coefficient value of the Profitability variable (X_3) is 0.059765. This indicates that there is a positive relationship to company value. Every 1% increase in profitability will increase the company value by 0.059765.

Partial Test (t-Test)

The t-test was conducted to determine the influence of each independent variable (Green Banking, Corporate Social Responsibility, and Profitability) on the dependent variable (Company Value) partially, with a significance level (α) of 5% or 0.05.

Table 8 t-Test Results

Variable	t-Statistic	Prob.	Information
GB	0.221994	0.8246	Not Significant
CSR	-3.864328	0.0002	Significant
ROA	1.071838	0.2856	Not Significant

Source: Eviews Output, (Data processed by Researcher), 2025

Information:

GB :Green Banking

CSR :Corporate Social Responsibility

ROA : Profitability

Based on table 4.9, the Interpretation of the t-test results can be explained that the Influence of Green Banking on Company Value. The calculated t-value = 0.221994 with p-value = 0.8246 > 0.05. This means that Green Banking

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does not affect Company Value. The Influence of Corporate Social Responsibility on Company Value. The calculated t-value = -3.864328 with p-value = 0.0002 < 0.05. This shows that Corporate Social Responsibility has a negative and significant influence on Company Value. The Influence of Profitability on Company Value. The calculated t-value = 1.071838 with p-value = 0.2856 > 0.05. Profitability does not affect Company Value.

Coefficient of Determination Test (R²)

The coefficient of determination is used to determine the extent to which the independent variables (Green Banking, Corporate Social Responsibility, and Profitability) are able to explain the variation in the dependent variable (Company Value).

Table 9 Results of the Determination Coefficient

R-squared	0.103762	Mean dependent var	0.188090
Adjusted R-squared	0.085090	SD dependent var	0.772977
SE of regression	0.739359	Akaike info criterion	78.71789
F-statistic	5.557202	Durbin-Watson stat	1.943828
Prob(F-statistic)	0.001229		

Source: Eviews Output, (Data processed by Researcher), 2025

Based on the results of the Determination Coefficient test, the R² value is known to be 0.103762, indicating that 10.3% of the variation in Company Value in the banking sector listed on the IDX can be explained by the three independent variables, namely Green Banking, Corporate Social Responsibility, and Profitability. The remaining 89.7% is explained by other variables not included in this research model, such as company size, capital structure, macroeconomic conditions, or other external factors.

Discussion

The Influence of Green Banking on Company Value

The results of the study indicate that Green Banking does not affect company value. This indicates that although information about green banking can create a positive perception for banks, green banking disclosure is not a major factor in investment decisions. This is due to the bank's policies and operational activities being considered insignificant in their environmental impact. Furthermore, not many banks disclose green banking in their sustainability reports, making it difficult for investors to compare green banking implementation between banks. The number of banks that publish sustainability reports is still very small because the publication of sustainability reports is still voluntary. The implementation and disclosure of green banking also require complicated and expensive procedures. These findings support Legitimacy Theory, which states that companies will seek to gain recognition from society through activities that are in line with social and environmental values. This research is in line with the study conducted by Belladonna et al., (2024) which found that Green Banking practices have not been able to strengthen stakeholder trust, so that it has an impact on not being able to increase share prices which will ultimately increase the company's value.

The Influence of Corporate Social Responsibility on Company Value

The results of the study indicate that Corporate Social Responsibility has a significant negative effect on company value (PBV). Corporate Social Responsibility (CSR) is a long-term corporate strategy whose results are not immediately visible or visible in the short term. Therefore, investors tend to buy shares only for immediate profits, thus paying less attention to the company's long-term sustainability. Corporate Social Responsibility's negative and significant effect on Company Value occurs because CSR implementation is less than optimal and affects the allocation of company resources. In addition, the allocation of Corporate Social Responsibility funds is less than optimal or not on target, so that funds that should be able to increase company value are diverted to social activities that do not necessarily provide direct financial returns. In some cases, Corporate Social Responsibility programs that are not aligned with community needs or misuse of Corporate Social Responsibility funds can damage shareholder trust and company value. This research is in line with studies conducted by Afifah et al, (2021) which states that Corporate Social Responsibility has a significant negative effect on company value, as measured by Price to Book Value (PBV). Therefore, if Corporate Social Responsibility increases, it will decrease company value.

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The Influence of Profitability (ROA) on Company Value

Profitability (ROA) does not impact company value. This means that the level of profit generated by a company, as measured by Return on Assets (ROA), does not significantly impact the company's value in the eyes of investors and the market. In other words, how well a company generates profits from its assets does not affect the market's perception of the company's overall value. The danger lies in poorly managed ROA. Even if ROA is high, there are problems with asset management or profit utilization. If investors are unsure that profits will be managed well or distributed as dividends, they may not respond positively to a high ROA. This is supported by research by Amahanani and Kartika (2022), which states that profitability (ROA) does not impact company value.

CONCLUSION

Based on the results of the tests and discussions that have been carried out, the following conclusions can be drawn:

1. *Green Banking* has no effect on firm value. This indicates that while information about green banking can create positive perceptions for banks, green banking disclosure is not a primary factor in investment decisions. This is due to banks' policies and operational activities being perceived as having an insignificant impact on the environment.
2. *Corporate Social Responsibility* The negative and significant impact on corporate value occurs because CSR implementation is suboptimal and affects the allocation of corporate resources. Furthermore, the allocation of Corporate Social Responsibility funds is suboptimal or not well-targeted, so funds that should increase corporate value are diverted to social activities that do not necessarily provide direct financial returns.
3. Profitability (ROA) does not impact company value, meaning that the level of profit a company generates, as measured by Return on Assets (ROA), has no significant impact on the company's value in the eyes of investors and the market. In other words, how well a company generates returns on its assets does not impact the market's perception of the company's overall value.

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