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Determinants of Firm Value and Profitability as Mediating Variables: Evidence from Sector Companies Listed on The Jakarta Islamic Index

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Abstract
This paper aims to analyze and empirically test profitability in mediating the determinants of firm value in the sector of companies listed in the Jakarta Islamic Index. The research sample consisted of 40 annual reports of sector companies listed on the Jakarta Islamic Index from 216 – 2019, which were analyzed by using AMOS software. The result of the research show that corporate social responsibility have a significant positive effect on profitability, but Management Statement Disclosure and Intellectual Capital have no. Profitability and Intellectual Capital have a significant positive effect on firm value, but Management Statement Disclosure and Corporate Social Responsibility have no. Profitability mediation provides a strengthening effect for all independent variables so that Management Statement Disclosure, Intellectual Capital and Corporate Social Responsibility have a positive effect on firm value. Inverstors of Islamic companies in the equity market should consider important variables. This has important implications for managers and relevant authorities to improve financial market information related to firm value and further attention to corporate governance mechanisms. This paper fulfills a limited empirical study on firm value of sector companies listed on the Jakarta Islamic Index.
Keywords: *firm value, management statement, intellectual capital, corporate social responsibility, profitability*

Abstrak
Artikel ini bertujuan untuk menganalisis dan menguji secara empiris profitabilitas dalam memediasi determinan nilai perusahaan pada sector perusahaan yang terdaftar di Jakarta Islamic Index. Sampel penelitian terdiri dari 40 laporan tahunan perusahaan sektor yang terdaftar di Jakarta Islamic Index dari tahun 216 – 2019, yang dianalisis dengan menggunakan software AMOS. Hasil penelitian menunjukkan bahwa corporate social responsibility berpengaruh positif signifikan terhadap profitabilitas, tetapi Management Statement Disclosure dan Intellectual Capital tidak berpengaruh. Profitabilitas dan Intellectual Capital berpengaruh positif signifikan terhadap nilai perusahaan, tetapi Management Statement Disclosure dan Corporate Social Responsibility tidak berpengaruh. Peran mediasi variabel profitabilitas memberikan pengaruh penguatan untuk semua variabel independen sehingga Management Statement Disclosure, Intellectual Capital dan Corporate Social Responsibility berpengaruh positif terhadap nilai perusahaan. Investor perusahaan Islam di pasar ekuitas harus mempertimbangkan variable-variable penting. Hal ini memiliki implikasi penting bagi manajer dan otoritas terkait untuk meningkatkan informasi pasar keuangan terkait nilai perusahaan dan perhatian lebih lanjut terhadap mekanisme tata kelola perusahaan. Artikel ini memenuhi studi empiris yang terbatas pada nilai perusahaan pada perusahaan di sektor yang terdaftar di Jakarta Islamic Index.
Katakunci: *nilai perusahaan, management statement, intellectual capital, corporate social responsibility, profitabilitas*

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INTRODUCTION

The era of digitalization has an impact on changes in business management and the determination of increasingly competitive strategies. Therefore, companies must be able to adapt to these developments in order to increase firm value. Firm value is an investor's perception of the company's level of success which is reflected in the stock price (Husnan, 2012). The increasing share price indicates prosperity for shareholders so that investor confidence increases. Optimization of firm value can be influenced by several factors, including management statement disclosure, intellectual capital, and the importance of the company's role in corporate social responsibility.

Management Statement Disclosure is considered as information for consideration in making decisions by investors. Information presented in financial statements in order to be understood and not misinterpreted, the presentation of financial statements must be accompanied by disclosures that are not excessive but also not lacking, so that they are not misleading (Statement of Financial Accounting Concepts (SFAC) No. 1). The more voluntary disclosures, the market perception will increase, so that the value of the company also increases.

Intellectual capital is a high-value asset, especially in the modern business world. Companies that implement corporate governance mechanisms to obtain IC disclosure, most of them have not focused on IC disclosure. Firer and Williams (2003) state that companies that can manage their intellectual capital well will increase the market perception of the firm value.

Corporate Social Responsibility is a process of communicating social and environmental impacts in connection with the company's activities to the community. This is in accordance with the signal theory that managers who have good information about the company convey this information to investors in order to increase the company's shares.

Many researchers have conducted on firm value, but research on the mediating role of profitability ratios has not been much done by them. The basis for consideration is that the profitability ratio as measured by Return on Assets (ROA) shows an indicator of the company's efficiency in utilizing existing assets and controlling firms' financing policy. If ROA increases, it indicates that the company is more efficient, so it can increase the firm value.

THEORETICAL BACKGROUND

Knowledge Based View (KBV)

The knowledge-based view theory results in the emergence of an understanding that if assets in the form of knowledge are managed properly, they can improve financial performance and firm value. Knowledge is considered a company asset, so knowledge is seen as a strategic resource. The company's success is determined by its ability to transform its knowledge and apply it to strategic activities. The company's ability to manage its resources well can create competitive advantage so that it can create firm value. Thus, the assumption in this theory is how the company can compete with other companies to gain a competitive advantage by managing its resources in accordance with the company's capabilities.

Legitimacy Theory

Legitimacy theory explains that the practice of disclosing corporate social responsibility must be carried out as well as possible so that later, the activities and performance of the company get a good response from the community. As for the positive response, it will be able to create a good value for the company in the eyes of the community and can automatically increase profit achievement by the company (Lanis & Richardson 2012). Legitimacy theory recommends companies to ensure that their activities and performance can be accepted by the community. The public's perception of management responsibility for environmental problems can be seen from public awareness of CSR and the important role of paying taxes for the community. Legitimacy is considered important for the company because the community's legitimacy to the company is a strategic factor for the company's future development.

Firm Value

Firm value is very important because a high firm value will be followed by high prosperity of shareholders. The wealth of shareholders and the company is represented by the market price of shares which is a reflection of investment decisions, financing, and asset management (Irvaniawati, 2014).

Firm value is measured by Price to book value, as a result of the comparison between stock price and book value per share. If the PBV value is more than 1, it is said to be overvalued, which means that the company's shares are valued higher than its book value. A PBV value that is less than 1 is said to be undervalued, which means that the company's shares are valued lower than its book value. A PBV value equal to 1 means that the company's shares are valued at the same as their book value.

$$PBV = \frac{\text{market price}}{\text{book value of company}}$$

Profitability

Profitability is a financial ratio used to measure how effective the company is in generating profits by utilizing its assets. One of the profitability ratios is Return on Assets (ROA) whose amount can be calculated by Earning After-Tax compared to total assets. The ROA of a company shows the more efficient the company is in utilizing its assets. Thus, the greater the profits that can be achieved by the company the high the firm value will be.

$$ROA = \frac{\text{net profit after tax}}{\text{total assets}}$$

Management Statement Disclosure

Management statement disclosure generally consists of forecasting financial position and disclosure of management's strategic plans for the next period. Measurement of Management Statement Disclosure (MSD) uses content analysis by looking at the components disclosed by the board of directors. Information disclosed in the annual report is grouped into 2, namely mandatory disclosure and voluntary disclosure.

Management Statement Disclosure is measured by business operations, social, environment, finance, corporate governance, international standards, improvement of human resources, work safety, strategy, and business prospects.

Intellectual Capital

Intellectual capital is used as information and knowledge that is applied in work to create value. Smedlund and Poyhonen in Sunarsih and Mendra (2012) define intellectual capital as organizational capability to create, transfer, and implement knowledge. Bontis et al. (2000) in Sunarsih and Mendra (2012) identify intellectual capital into three main constructs, namely:

Intellectual capital is expressed by the formula as follows:

$$VAIC = HCE + SCE + CEE$$

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a form of reciprocity to the surrounding community for the company's operating activities to get a good response from the community. The implementation of CSR is a form of commitment formed by the company to contribute to improving the quality of life.

Disclosure of environmental, social, and economic performance in annual reports or separate reports is to reflect the level of accountability, responsibility, and transparency of the company to investors and other stakeholders.

The measurement of CSR performance is through its activity reports, namely the content analysis method which is a way of scoring on the measurement of the disclosure of the annual report which is carried out by observing the presence or absence of an item of information specified in the annual report.

$$CSRD=\frac{\text{number of CSR information items disclosed}}{\text{CSR information items according to GRI}}$$

HYPOTHESIS DEVELOPMENT

Effect of Management Statement Disclosure on Profitability

Management statement can be used as competent information in considering investors' decision-making. Therefore, the information presented in the financial statements to be understood and not misinterpreted must be accompanied by a disclosure that is not misleading (Statement of Financial Accounting Concepts (SFAC) No. 1). The more voluntary disclosures, the market perception will increase profitability, so that the firm value will increase.

The results of research by Ilmi, et.al (2017) show that management statement disclosure has a positive effect on profitability. Based on the description above, this study proposed the following hypothesis:

H_1 : Management statement disclosure has a positive effect on profitability

Effect of Intellectual Capital on Profitability

Resource-based theory suggests that the company performance should be defined as a function of the effective and efficient use of tangible and intangible assets owned by the company or intellectual ability (Firer and Williams, 2003). This is in line with the Stakeholder theory which states that Value Added is a more accurate measurement for the company performance rather than accounting profit which is only a measure of return for shareholders. If the company has a higher intellectual capital, it will tend to have better future performance. More appreciation for the company's shares from investors is believed to be caused by the intellectual capital owned by the company. Appuhami (2007) states that the greater the value of intellectual capital (VAICTM), the more efficient the use of company capital, which in turn creates value-added for the company.

The relationship between intellectual capital (VAICTM) and profitability has been proven by Firer and Williams (2003), Belkaoui (2003), and Tan et al. (2007), that intellectual capital has a positive effect on financial performance. While the research of Chen et al. (2005) and Sunarsih and Mendra (2012) prove that intellectual capital has a positive effect on profitability. The proposed hypothesis is as follows:

H_2: Intellectual capital has a positive effect on financial performance

Effect of Corporate Social Responsibility on Profitability

Corporate Social Responsibility (CSR) is a form of implementing corporate social responsibility to the community. CSR is defined as the action of a large corporation or company in providing its responsibilities in the form of money, equipment, or other gifts to the community, organization, or individual in the area where the company operates. High concern for social responsibility will be able to increase employee morale so that productivity increases and ultimately improve the company's financial performance (Beny (2012:6) Rillagantino 2016).

The results of research conducted by Hamdani (2014), Waddock and Graves (2007), and Tsoutsoura (2007) show that social responsibility has a positive effect on profitability, so the hypothesis is proposed as follows:

H_3: Corporate Social Responsibility has a positive effect on profitability

Effect of management statement disclosure on Firm Value

When there is an indication of information asymmetry between the company and the company's external parties, the company manager usually gives a signal in the form of disclosing complete and transparent information about the company's condition to investors to maximize the value of the company's shares.

Disclosure of company information to external parties that is complete, transparent, and trustworthy will reduce uncertainty about the company's prospects (Nuswandari, 2009). This can give a positive signal for investors so that it can trigger an increase in stock prices in the capital market as a reflection of firm value (Nurchanifia, 2012).

The results of research by Sugito and Nugrahanti (2016) show that the extent of information disclosure has a positive and significant effect on firm value. Therefore, the proposed hypothesis is that:

H_4: Management statement disclosure has a positive effect on firm value

Effect of Intellectual Capital on Firm Value

To create value, it is necessary to utilize all potential resources owned by the company. The potential for intellectual capital, which includes human capital, physical capital, and structural capital will create a competitive advantage for the company. By having a competitive advantage, the market perception of the firm value will increase because it is believed that companies that have a competitive advantage can compete and survive in a dynamic business environment.

Firer and Williams (2003) in Yuliana, et al (2014) explain that if the market value is efficient, then investors will value the company higher and increase their investment in companies that have larger investments or intellectual capital expenditures. Therefore, according to investors, intellectual capital is a source of company strength to achieve a competitive advantage. Companies that can manage their intellectual capital well will increase the market perception of the firm value. This is following the statement of Ulum (2007), that Intellectual capital is believed to play an important role in increasing firm value and financial performance.

The results of research by Sunarsih and Mendra (2012), Jacub (2012), and Utomo and Chariri (2015) showed that intellectual capital affects firm value, so the hypothesis is proposed as follows:

H_5: Intellectual capital has a positive effect on firm value

Effect of Corporate Social Responsibility on Firm Value

Corporate Social Responsibility is the company's contribution to building a sustainable economy by paying attention to aspects such as economic, social and environmental in an effort to improve the company's image. The existence of CSR disclosure is expected to provide value-added in creating investor confidence that the company will continue to grow and be sustainable (Setyowati and Endang, 2014).

Legitimacy theory explains that the practice of disclosing corporate social responsibility must be carried out as well as possible so that later, the activities and performance of the company get a good response from the community. Meanwhile, a positive response can create good value for the company in the eyes of the community and can automatically increase profit achievement by the company (Lanis & Richardson 2012). This will be an advantage for the company, because with the value that has been built, it will be able to attract investors to invest in companies that have an impact on firm value. Norawati (2011) and Rika Susanti (2010) and Setyowati and Endang (2014) found that Corporate Social Responsibility has a positive influence on firm value. Furthermore, Wulansari (2017) and Fitri and Herwiyanti (2014) showed that CSR affects firm value. Therefore, the proposed hypothesis is as follows:

H_6: Corporate Social Responsibility has a positive effect on firm value

Effect of Profitability on Firm Value

The increase in the firm value is usually marked by an increase in the stock price in the market. According to Modigliani and Miller (1998), the firm value is determined by the earnings power of the company's assets. High financial performance reflects the company's ability to generate high profits for shareholders. Thus, the higher the earnings power, the more efficient the asset turnover or the higher the profit margin obtained by the company, so that it can affect the high firm value. The increase in the company's financial performance will attract investors to invest in the company. The higher the company's financial performance, which is reflected in profitability, will have an impact on the high firm value.

Research on the relationship between financial performance and firm value has been widely carried out, research conducted by Putra (2013), Dewi, and Tarnia (2014) found that financial performance has a positive effect on firm value. This explanation is clarified by the research conducted by Sri Hermuningsih (2013), Sunarsih, et al (2014), and Nofrita (2013), that the profitability factor has a positive and significant effect on increasing firm value. Therefore, the researcher took a temporary answer to the research question, namely with the following hypothesis:

H_7: Profitability has a positive effect on firm value

Role of profitability in mediating Management Statement Disclosure, Intellectual Capital, and Corporate Social Responsibility on firm value

Statements from management in the form of management statement can be considered as competent information for the basis for consideration of investors' decision-making. Information presented in financial statements to be understood and not misinterpreted, the presentation of financial statements must be accompanied by disclosures that are not excessive but also not lacking, so that they are not misleading (Statement of Financial Accounting Concepts (SFAC) No. 1). The more voluntary disclosures, the market perception will improve financial performance and the firm value will also increase. The results of this study are supported by Mainatul Ilmi et al. (2017), that management statement disclosure has a positive effect on financial performance and firm value. This means that management statement disclosure can affect the firm value through financial performance.

In resource-based theory (KBV), there is an assumption that a company can compete competitively if the company can manage and use resources that are under its capabilities. This will work well if the utilization of the resources owned by the company is supported by the company's good intellectual abilities. When resources are managed effectively and efficiently, it will improve company performance which will be responded to positively by stakeholders, such as investors. Belkaoui (2003) argues that the company's investment in intellectual capital, which is presented in the financial statements, results from an increase in the difference between market value and book value. For example, if the market is efficient, then investors will give high firm value that have larger IC. In addition, if IC is a measurable resource for increasing competitive advantages, then IC will contribute to financial performance and increase firm value (Chen et al., 2005). Previous research conducted by Belkaoui (2003), Chen et al. (2005), Tan et al. (2007), and Diva et al (2014) prove that intellectual capital can influence firm value through firm profitability.

CSR disclosure is carried out by companies to gain legitimacy and a positive assessment from the community (Maryanti and Tjahjadi 2013). The public will judge the company as a good entity because it is not only profit-oriented but also pays attention to social and environmental aspects around the company (Haryati and Rahardjo, 2013). A positive response will encourage investor interest to invest in the company. One of the considerations used by investors in making investments is the level of return that will be given by the company by looking at the level of ROE. The higher this ratio, it will motivate investors to invest in shares, so that the share price and demand for shares will increase. Maryanti and Tjahjadi (2013) found that CSR has a significant effect on financial performance and financial performance has a significant effect on firm value with ROA as a proxy for financial performance. This means that CSR can affect the firm value through financial performance. Therefore, based on the description and previous research, the hypothesis is proposed as follows:

H8a: Profitability mediates the relationship between Management Statement Disclosure and firm value
H8b: Profitability mediates the relationship between Intellectual Capital and firm value
H8c: Profitability mediates the relationship between Corporate Social Responsibility and firm value

Research Framework

The concept of analysis of the factors that determine firm value is ecplained by the following framework :

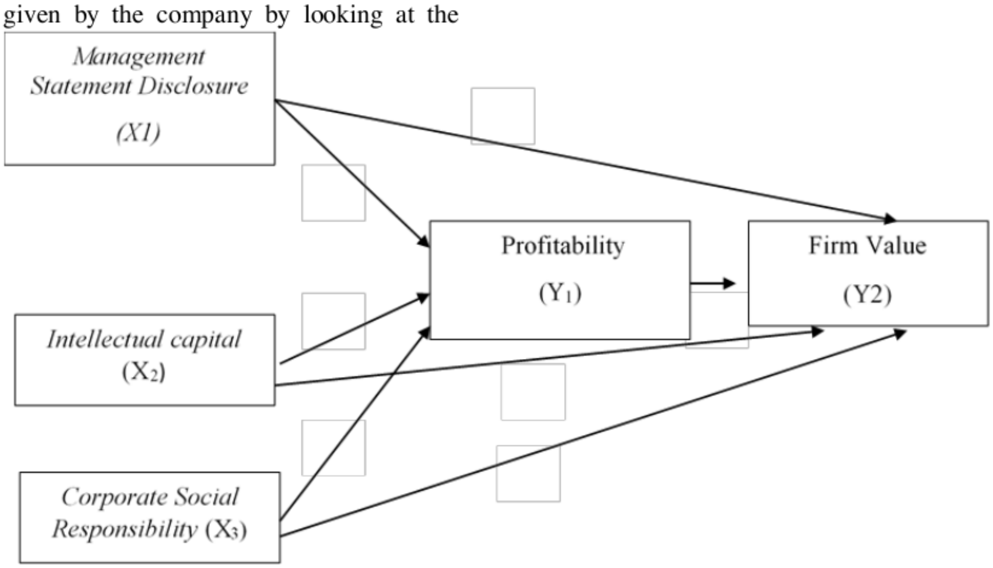

Fig. 1. The structure of the proposed study

RESEARCH METHOD

The population in this study were all companies listed on the Jakarta Islamic Index (JII) and the sample used was in 2016-2019. This study used purposive sampling technique which is a sample selection based on certain considerations or criteria. The considerations or criteria used in sampling are as follows (a) Manufacturing companies listed on the Indonesia Stock Exchange, (b) Manufacturing companies that consistently publish annual reports and complete good corporate governance reports, (c) Manufacturing companies that publish annual reports in rupiah currency (IDR), and (d) Manufacturing companies that present complete data related to research data.

EMPIRICAL RESULTS

Descriptive Statistics

Tabel 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
X1	40	5	9	7.38	1.148
X2	40	3.0029	64.4296	19.302951	18.0873929
X3	40	.1429	.1429	.230769	.0568560
Y1	40	.0204	.0204	.118859	.0864232
Y2	40	.5672	.5672	3.717837	4.0695565
Valid N (listwise	40				

Sumber: output Amos 2021

Based on the table above, it shows that the Variables of Management Statement Disclosure (X1), Intellectual Capital (X2), Corporate Social Responsibility (X3), and Profitability (Y1) are evenly distributed, which shows the mean value is greater than the Standard deviation. As for the Firm Value Variable (Y2), the mean value is smaller than the standard deviation, meaning that the deviation of the data that occurs is higher, then the distribution of data for the Y2 variable is not evenly distributed. However, in this case, the data can still be used for further analysis.

Goodness of Fit

Based on the results of data processing, it shows that all goodness of fit criteria is met the requirements.

Data Analysis

For research data analysis, this study used a random effect panel data regression model. The empirical results of the study are shown in table 2.

Tabel 2. Regression Model

			Estimate	S.E.	C.R.	P	Label
y1	<---	x1	-.046	.007	-6.300	***	par_2
y1	<---	x2	-.002	.001	-3.884	***	par_4
y1	<---	x3	.373	.165	2.265	.024	par_6
y2	<---	y1	31.371	3.575	8.775	***	par_1

y2	<---	x1	-.537	.230	-2.330	.020	par_3
y2	<---	x2	.029	.014	2.142	.032	par_5
y2	<---	x3	-14.034	3.907	-3.592	***	par_7

Based on Table 2, the equation of the random effect panel data regression model is obtained as follows:

ROA = -0.046 DMS -0.002IC + 0.373 CSR + e

PBV = – 0.537 ROA + 0.029 DMS – 14.034 CSR + e

DISCUSSION

Effect of Management Statement Disclosure on Profitability

Based on the table above, it can be seen that the p-value of Management Statement Disclosure on Profitability is 0.000, which means less than 0.05 with a path coefficient value of 0.046 in a negative direction. These results indicate that the Management Statement Disclosure is not proven to have a positive effect on profitability. This means that more and more voluntary disclosures are made by companies in the hope that investors will get a lot of information about the company, the market perception of the company will be good and will increase profitability. The management statement can be considered as competent information for the basis for consideration of investors' decision-making so that the financial statements presented can be understood and do not lead to misinterpretations. The presentation of financial statements must be accompanied by disclosures that are presented not excessive but also not lacking so that they are not misleading (Statement of Financial Accounting Concepts (SFAC) No. 1). Meanwhile, the profitability of the company is not only influenced by the Management Statement Disclosure, so that the results of this study are not in line with research conducted by Ilmi et al (2017).

The effect of Intellectual Capital on Profitability

Based on the table above, it shows that the p-value of Intellectual Capital on Profitability is 0.000, which means it is smaller than 0.05 with a path coefficient value of 0.002 in a negative direction, so Intellectual Capital is not proven to have a positive effect on Profitability. Based on the Knowledge Based View theory that if assets in the form of knowledge are managed properly, they can improve financial performance and firm value. Knowledge is considered an asset of the company, so that by transforming its knowledge and applying it into strategic activities, the company's ability to manage its resources properly can create a competitive advantage so that it can create value for the company. This study is inconsistent with the researches conducted by Firer and Williams (2003), Belkaoui (2003) and Tan et al. (2007) Chen et al. (2005) and Sunarsih and Mendra (2012), that intellectual capital has a positive effect on profitability. The absence of this hypothesis indicates that the resulting profitability is not solely based on the knowledge of existing human resources and more on how to implement it in carrying out business activities appropriately.

Effect of Corporate Social Responsibility on Profitability

The results showed that the p-value of Corporate Social Responsibility on Profitability is 0.024, which means it is smaller than 0.05 with a path coefficient value of 0.373 in a positive direction. These results mean that Corporate Social Responsibility has a positive effect on profitability. Companies that are reluctant to carry out CSR activities because the company has to incur several costs, and the costs will eventually become a burden that must be borne by the company thereby reducing revenue, and resulting in a decrease in the company's profit level. On the one hand, the existence of CSR makes the company's image increase so that the level of profitability increases. The results of this study proved that Corporate Social Responsibility (CSR) has a positive influence on profitability so that companies commit to continuously act ethically, operate legally and contribute to economic improvement, along with improving the quality of life of employees and their families as well as improving the quality of local communities and society at large (Wibisono, 2017: 7).

Effect of Profitability on Firm Value

Based on the table above, it shows that the p-value of Profitability on firm value is 0.000, which means it is smaller than 0.05 with a path coefficient value of 31.37 in a positive direction. These results indicate that profitability has a positive effect on firm value. Profitability shows the company's ability to earn a net profit and is used to measure management's ability to carry out its operational activities. This is what can increase the firm value so that investors are also more interested in investing in the company. The results of this study are in line with the results of research conducted by (Eka Indriyani, Mardiyati, Ahmad, & Abrar 2017), that profitability has a positive effect on firm value.

Effect of Management Statement Disclosure on Firm Value

Based on the table above, it shows that the p-value of Management Statement Disclosure on Firm Value is 0.020, which means it is smaller than 0.05 with a path coefficient value of 0.537 in a negative direction. These results indicate that profitability is not proven to have a positive effect on firm value. This shows that the management disclosure will have an impact on the good image of the company, so that management will strive to realize its best performance so that operational activities increase, which then results in increased profits. What is reported by management is expected to provide a positive signal for stakeholders to make decisions. However, the results of the study show that the effect is negative, meaning that the more that is disclosed by management, it is bad news so that stakeholder perceptions of the company's financial condition decrease. This is not in line with research conducted by Nurchanifia, 2012, that Management Statement Disclosure can trigger an increase in stock prices in the capital market as a reflection of the firm value.

Effect of Intellectual Capital (X2) on Firm Value (Y2)

Based on the table above, it shows that the p-value of Intellectual Capital on firm value is 0.032, which means it is smaller than 0.05 with a path coefficient value of 0.029 in a positive direction so that Intellectual Capital has a positive effect on firm value. Based on the investor's point of view, intellectual capital is a source of company strength to compete to achieve a competitive advantage. Thus, companies that can manage intellectual capital well will increase market perceptions of firm value. This is in line with the researches by (Fitriyani and Amalia, 2018 Anggraini, et al., 2018a; Sudibya and Restuti, 2014 Hidayat and Hairi, 2016), that the effective management and use of intellectual capital are proven to increase firm value.

Effect of Corporate Social Responsibility (X3) on Firm Value (Y2)

Based on the table above, it shows that the p-value of Corporate Social Responsibility on Firm Value (is 0.000, which means it is smaller than 0.05 with a path coefficient value of 14.034 in a negative direction. Therefore, corporate social responsibility is not proven to affect firm value. This is because investors do not respond to what the company has done in the form of caring for social, economic, and environmental concerns. Therefore, CSR does not have a significant effect on firm value because investors do not understand the aspects that need attention. In theory, CSR should be considered by investors before investing, but the tendency of investors to buy shares to obtain capital gains and receive dividend payments in a short time without paying attention to the sustainability of the company in the long term makes CSR disclosure has no effect on firm value.

Indirect Effect Testing

	x3	x2	x1	y1
y1	.000	.000	.000	.000
y2	11.687	-.064	-1.435	.000

Based on the table above, it shows that profitability is proven to mediate the relationship between Management Statement Disclosure, Intellectual Capital, Corporate Social Responsibility on firm value.

CONCLUSION

The empirical findings of the study conclude that there are determinants of firm value and profitability in mediating the sector companies listed on the Jakarta Islamic Index for the 2016-2019 period. Corporate social responsibility has a significant positive effect on profitability. Meanwhile the Management Statement Disclosure and Intellectual Capital have no. Profitability and Intellectual Capital have a significant positive effect on firm value, but Management Statement Disclosure and Corporate Social Responsibility have no. Profitability mediation provide a reinforcing effect for all independent variables so that Management Statement Disclosure, Intellectual Capital and Corporate Social Responsibility have a positive effect on firm value

Suggestions

The suggestions for future researches are: 1) For companies that want to increase the firm value, it is necessary to pay attention to the condition of the level of profitability of the company. This refers to the results of the study that the two factors are factors that have a significant in the firm value of sector companies. 2) For further studies, it is necessary to investigate other variables that affect firm value. The existence of further research with similar topics is expected to find a clearer description of the various types of factors that influence the firm value in the company sector.

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