

ABSTRACT

Firm value is not always proportionate to the scale of a company's assets or operational activities, raising fundamental questions about the internal drivers that influence investor perceptions. In many cases, companies that have adopted good governance practices and engaged in corporate social responsibility (CSR) do not necessarily attain high firm value, while others with limited disclosures are nonetheless highly valued by the market. This disparity suggests a disconnect between internal corporate mechanisms and external market evaluations. In response to this phenomenon, the present study investigates the effect of Good Corporate Governance (GCG) and CSR on firm value, while incorporating firm size and leverage as control variables. The analysis focuses on non-financial companies listed on the IDX during the 2021–2023 period.

The study employs a quantitative research design using panel data regression. Secondary data were obtained from the annual and sustainability reports of 25 purposively selected firms. Firm value is proxied by the Tobin's Q ratio; GCG is measured by the Governance Disclosure Score provided by Bloomberg Terminal; and CSR is assessed based on the number of indicators disclosed in accordance with GRI standards. Firm size is calculated using the natural logarithm of total assets, and leverage is measured through the debt-to-equity ratio (DER). Model selection is conducted using the Chow and Lagrange Multiplier tests, followed by classical assumption tests, t-tests, and F-tests to assess both individual and collective effects of the variables

The empirical findings reveal that CSR and firm size have a positive and statistically significant influence on firm value, indicating that corporate social involvement and operational scale are positively regarded by the market. Leverage exhibits a negative and significant effect, reflecting concerns over financial risk associated with higher debt levels. Conversely, GCG shows no significant impact, which may be attributed to the perception that governance disclosures are procedural in nature and do not necessarily reflect the quality of implementation. This study is limited by its focus on non-financial sectors and the relatively short observation period. Future research is encouraged to expand the industrial scope, extend the timeframe, and incorporate additional explanatory variables such as profitability, ownership structure, and corporate reputation to develop a more nuanced and comprehensive understanding of the determinants of firm value.

Keywords: *Good Corporate Governance (GCG), Corporate Social Responsibility (CSR), Governance Disclosure Score (GDS), Tobin's Q, Firm Size, Leverage.*