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The Effect of Intellectual Capital and Corporate Social Responsibility (CSR) on Profitability in Mining Companies Listed on the IDX for the 2021-2023 Period

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ABSTRACT

Intellectual Capital emphasized that the company's resources are intangible assets, such as knowledge and skills that are very important to create added value and competitive advantage for the company in question. Corporate Social Responsibility (CSR) also emphasizes that companies must integrate social responsibility in their business strategies for long-term sustainability. This study aims to determine the influence of Intellectual Capital and Corporate Social Responsibility (CSR) on profitability in mining companies listed on the IDX. This study uses quantitative research. The population used is mining sector companies listed on the Indonesia Stock Exchange for the 2021-2023 period. The population used was 63 companies, the sample selection used the purposive sampling technique so that 12 companies were obtained. The methods used are classical assumption test, multiple linear regression and hypothesis test. The results of this study show that partially and simultaneously there is no significant influence between the variables of Intellectual Capital and Corporate Social Responsibility on the possibility. Although the company manages the resources it has to gain a competitive advantage to create company value, it has nothing to do with the profitability creation that is done. Corporate Social Responsibility if measured in a short-term horizon, such as annual, the positive impact is likely to not be detected quantitatively, so the results appear to be partially insignificant. Within the specific time period covered by this study, the impact on profitability may not have been realized or strong enough to show a significant simultaneous influence.

INTRODUCTION

The increasingly fierce business competition in Indonesia requires companies to own and maximize performance as best as possible in order to maintain business continuity and develop their existence. For companies *that go public* , they must be able to compete strictly in their industry or globally. Coal mining companies are companies listed on the Indonesia Stock Exchange (IDX). The mining sector is one of the pillars of a country's economic development, because of its role as a provider of energy resources that are indispensable for the economic growth of a country.[1]

The company will try hard to maximize existing resources to maximize the company's profits. The higher the company in generating profits, the more the value of the company itself. When a company earns a large profit, it will be considered attractive to investors because profitability is the result obtained through funds invested by investors. Company size is a large measure of the size of a company that can be seen from the total assets of the company. Investors think that a large company size indicates a high company value and conversely, a small company size indicates a low company value.[2] The success of the company is not only seen from the performance that can be measured through the company's financial ratios at this time, but the resources in the company should be able to produce financial performance that continues to increase from year to year, so that the company's survival can be guaranteed. The company's survival and financial performance are not only generated by tangible assets but more importantly the existence of *intangible assets* in the form of human resources (HR) that manage and utilize the company's existing assets.

One of the components of intangible assets is known as *Intellectual Capital* (IC). The emergence of IC in the early 1990s received more attention from academics, companies and investors. IC is seen as knowledge used in creating wealth in a company. *Intellectual Capital* is a measurable resource for increasing competitive *advantage* because with *Intellectual Capital* the company will be able to use the company's resources efficiently, economically and effectively. Therefore, the mining sector has a dependence on *intellectual capital*, especially regarding *capital employed*, which is the main indicator in utilizing physical capital to create added value (*values added*) and *human capital* which is defined as knowledge, expertise, abilities, and skills that make humans or employees an asset of a company. Intellectual capital is used as an approach to assess and measure knowledge assets. Intellectual capital has a great influence on increasing the value of a company. Intellectual capital has needs and benefits for companies in intensive knowledge in the high-tech sector and service industry, so companies tend to invest substantially in intellectual capital.[3] The activities of a business activity, such as coal mining, should not be the cause of "losses" for certain parties or the majority group (the general public). Similarly, nature as a source of mining materials (natural resources) should not be disturbed because it will eliminate the balance of the ecosystem and ecology which results in damage to nature/the environment.[4]

The establishment of industrial estates has various impacts such as social, economic, and environmental impacts that make companies obliged to be responsible for the impact caused to the public, especially the community around the company's area. Companies in their operations need to pay attention to economic development, social development and environmental protection to be able to maintain the sustainability of a business and sustainable development. One of them requires responsibility by paying attention to environmental conditions such as environmental damage and social

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[1] Arvin Kusba Munawar, Azhar Affandi, and Atang Hermawan, 'Analysis of the Relationship between Profitability and Company Intellectual Capital (Case Study on Coal Sub-Sector Mining Companies on the Indonesia Stock Exchange)', 2018, pp. 424–32.

[2] Wendy Salim Saputra, 'The Influence of Corporate Social Responsibility and Profitability on Corporate Value', *The Journal of Business Accounting*, 10.1 (2018), doi:10.30813/jab.v10i1.985.

[3] Herlina Rahmawati Dewi, Liska Mutiara, and Chandra Dewi, 'Intellectual Capital and Corporate Value in the Service and Mining Industry in Indonesia', *Proceeding of National Conference on Accounting & Finance*, 2.2012 (2020), pp. 132–43, doi:10.20885/ncaf.vol2.art11.

[4] Nurul Listiyani, 'The Impact of Mining on the Environment in South Kalimantan and Its Implications for Citizens' Rights', *Al-Adl : Legal Journal*, 9.1 (2017), p. 67, doi:10.31602/al-adl.v9i1.803.

disparities resulting from uncontrolled company activities for resources to obtain profits.[5] The community is increasingly aware of the social and environmental impacts caused by mining company waste, so the company has formed a division called corporate social responsibility (CSR), as an effort to integrate social care in the company's business operations and in interaction with stakeholders based on the principles of volunteerism and partnership.

A good company does not only hunt for economic profits but also has concern for environmental sustainability (*planet*) and people's welfare. CSR is a business commitment to act ethically, operate legally and contribute to improving the quality of life of employees and their families, local communities, and the wider community. The concept of CSR involves the responsibility of partnerships between governments, companies, and local communities that are active and dynamic.[6]

The following is a table of the *cost* of csr activities of mining companies in Indonesia:

Company Name	Year	Cost of CSR Activities
PT Adaro Energy IndonesiaTbk	2021	IDR 94,147,528,820
	2022	IDR 160,117,858137
	2023	IDR 127,274,407,100
PT Bumi Resource Tbk	2021	IDR 171,636,267,005
	2022	IDR 117,785,126,214
	2023	IDR 115,094,263,053
PT Bayan Resource Tbk	2021	IDR 211,6646,610,700
	2022	IDR 40,670,000,000
	2023	IDR 56,000,000,000
PT Darma Henwa Tbk	2021	IDR 1,292,983,882
	2022	IDR 753,370,602
	2023	IDR 1,060,516,979
PT Delata Dunia Makmur Tbk	2021	IDR 13,874,949,521
	2022	IDR 19,572,334,390
	2023	IDR 14,701,648,407
PT Dian Swastatika Sentosa Tbk	2021	IDR 106,184,499,447
	2022	IDR 83,379,472,587
	2023	IDR 86,572,236,024
PT Alfa Energy Investama Tbk	2021	IDR 484,470,000
	2022	IDR 515,000,000
	2023	IDR 506,151,800
PT Golden Energy Mines Tbk	2021	IDR 31,339,698,396
	2022	IDR 41,074,467,945

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[5] Dzikir, A. N., Syahnur, S., & Tenriwaru, T. (2020). The influence of corporate social responsibility on company value with profitability as a moderation variable. Teaching, 3(02), 219-235.
[6] Denise Baden and Stephen Wilkinson, 'Corporate Social Responsibility in Cuba', CSR, Sustainability, Ethics and Governance, 2021, pp. 637–49, doi:10.1007/978-3-030-68386-3_30.

	2023	IDR 56,279,261,057
PT Harum Energy Tbk	2021	IDR 3,446,215,672
	2022	IDR 5,872,079,149
	2023	IDR 7,113,250,536
PT Indika Energy Tbk	2021	IDR 47,810,000,000
	2022	IDR 47,480,000,000
	2023	IDR 48,100,000,000
PT Indo Tambangraya Megah Tbk	2021	IDR 29,316,000,000
	2022	IDR 21,222,000,000
	2023	IDR 20,856,000,000
PT Mitrabara Adiperdana Tbk	2021	IDR 8,797,277,836
	2022	IDR 8,460,000,000
	2023	IDR 6,660,000,000

Source: Annual Report on the Indonesia Stock Exchange

In the table above, we can see that every year the costs incurred by each company have increased and decreased. Mining companies in Indonesia play an important role in economic development, but they also face major challenges related to sustainability and social responsibility. In the midst of global demands for ethical and sustainable business practices, companies are required to manage intellectual capital optimally and carry out corporate social responsibility reporting consistently. The costs incurred by each mining company depend on the Corporate Social Responsibility (CSR) program made by each company. CSR reporting is a tool used by companies that reflects the social and environmental aspects where the company's activities may have an impact, namely issues related to employees, community involvement, environmental issues, other ethical issues, and others.

CSR disclosure can be influenced by several factors, one of which is profitability. Hackston and Milne in Sembiring state that a company that has high profitability should carry out corporate social responsibility transparently. CSR disclosure is a form of corporate implementation to meet the expectations of stakeholders who want to get more information related to the activities carried out by the company. Therefore, it can be stated that the higher the level of profitability that the company produces, the greater the CSR disclosure will tend to be.[7]

Based on the company's intangible resources and the company's responsibility to the environment and society where the mining company operates in creating profits, so that the researcher determines the title "Intellectual Capital and Corporate Social Responsibility"(CSR) On Profitability in Mining Companies Listed on the Indonesia Stock Exchange".

METHOD

This study uses an associative research approach that aims to determine the influence or relationship between two or more variables used in research The type of research used in this study is quantitative research is research by obtaining data in the form of numbers or qualitative data that is collected.[8] This study uses secondary data. Secondary data is a type of data obtained indirectly from the first source (the company).[9] The data in this study was collected from reports that have been published or have been published by the company. In this method, data is obtained from several types of literature

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[7] Hackston, D., & Milne, M. J. (1996). Some determinants of social and environmental disclosures in New Zealand companies. Accounting, Auditing & Accountability Journal, 9(1), 77-108.
[8] Sugiyono, Research Method, (Bandung: Alfabeta, 2003), p.14.
[9] Sugiyono. (2013). Quantitative, Qualitative, and R&D Research Methods. Alfabeta, p.137

that have discussion topics related to the problems in this study, such as journals, articles, books, papers, official websites or other media that support this research. The population in this study is 63 mining companies listed on the Indonesia Stock Exchange for the 2021-2023 period. In this study, the sampling technique used *the purposive sampling* technique. *Purposive sampling* is a technique of determining samples based on certain criteria that are considered to be closely related to previously known population characteristics.[10] So that a sample of 12 companies was obtained. This study uses secondary data. Secondary data is a type of data obtained indirectly from the first source (the company).[11]The data in this study was collected from reports that have been published or have been published by the company. In this method, data is obtained from several types of literature that have discussion topics related to the problems in this study, such as journals, articles, books, papers, official websites or other media that support this research.

The secondary data collected and used in this study are the financial statements of mining companies contained in the Indonesia Stock Exchange group during the 2021-2023 period which are accessed through the official website of the Indonesia Stock Exchange. The collected data will be processed using excel and SPSS 25 applications.

RESULTS

A. Intellectual Capital, Corporate Social Responsibility, Return On Asset (ROA) Testing

1. Intellectual Capital

The first Independent Variable (X1) in this study is intellectual capital in mining companies listed on the Indonesia Stock Exchange during 2021-2023. The following is intellectual capital data on mining companies on the Indonesia Stock Exchange during 2021-2023.

Table 4.1 Intellectual Capital Data on Mining Companies on the IDX

Yes	Company Code	Year	VAIC
1	ADRO	2021	21.76728
		2022	49.76331
		2023	20.44084
2	EARTH	2021	12.06876
		2022	17.265889
		2023	5.610154
3	BYAN	2021	24.45149
		2022	26.1181
		2023	11.14359
4	GOD	2021	2.238716
		2022	0.760118
		2023	1.791028
5	DOID	2021	2.341685
		2022	3.254147
		2023	3.373275
6	DSSA	2021	8.207123
		2022	12.90419
		2023	11.01773
7	FIRE	2021	2.008743
		2022	-6.28625
		2023	4.326792
8	GEMS	2021	13.45229

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[10] Firdaus, Quantitative Research Methodology: Equipped with IBM SPSS Statistics Version 26.0 Regression Analysis, (Riau: Dotplus Publisher, 2021), p.17.

[11] Sugiyono. (2013). Quantitative, Qualitative, and R&D Research Methods. Alfabeta, p.137

		2022	18.40338	
		2023	15.04547	
9	HRUM	2021	11.13278	
		2022	27.13916	
		2023	12.94831	
10	INDY	2021	8.075023	
		2022	10.84685	
		2023	4.274427	
11	ITMG	2021	13.40055	
		2022	24.7531	
		2023	11.70774	
12	MBAP	2021	15.0611	
		2022	19.30549	
		2023	2.850108	

Source: Data processed by Researcher

The table above, shows that Intellectual Capital is highest in:

The companies that obtained the highest intellectual capital value in 2021 were DEWA companies with a value of 2.238716 and BYAN of 24.45249. In 2022, the companies that obtained the highest scores were ADRO of 49.76331, BUMI of 17.265889, DSSA of 12.90419, GEMS of 18.40338, HRUM of 27.13916, INDY of 10.84685, ITMG of 24.7531, and MBAP of 19.30549. In 2023, the company that obtained the highest score was DOID of 3.373275 and FIRE obtained 4.326792.

The table above shows that Intellectual Capital is lowest at:

The companies that obtained the lowest intellectual capital value in 2021 were DOID companies that obtained 2.341685, DSSA of 8.207123, GEMS of 13.45229 and the last HRUM of 11.13278. In 2022, the company that obtained the lowest score was DEWA obtained 0.760118 and FIRE obtained -6.28625. In 2023, the companies that obtained the lowest score were ADRO of 20.44084, BUMI obtained 5.610154, BYAN of 11.14359, INDY of 4.274427, ITMG of 11.70774, and the last MBAP obtained 2.850108.

2. Corporate Social Responsibility

The second independent variable (X2) in this study is Corporate Social Responsibility in mining companies listed on the Indonesia Stock Exchange during 2021-2023. The following is data on Corporate Social Responsibility of mining companies on the Indonesia Stock Exchange during 2021-2023.

Data Table of Corporate Social Responsibility of mining companies on the IDX

Yes	Company Code	Year	Cost of CSR Activities (RP)	Profit After Tax (RP)	CSR
1	ADRO	2021	94,147,528,820	14,694,185,714,286	0.00641
		2022	160,117,858,137	44,236,296,875,000	0.00362
		2023	127,274,407,100	28,537,298,030,000	0.00446
2	EARTH	2021	171,636,267,005	3,191,100,200,000	0.05379
		2022	117,785,126,214	8,697,882,906,250	0.01354
		2023	115,094,263,053	413,871,377,295	0.27809
3	BYAN	2021	211,646,610,700	18,063,945,312,998	0.01172
		2022	40,670,000,000	36,206,556,859,857	0.00112
		2023	56,000,000,000	19,726,018,260,272	0.00284
4	GOD	2021	1,292,983,882	15,603,600,000,000	0.00008
		2022	753,370,602	(248,708,028,000)	(0.00303)

		2023	1,060,516,979	35,294,692,000	0.03005
5	DOID	2021	13,874,949,521	4,007,800,000,000	0.00346
		2022	19,572,334,390	447,479,843,750	0.04374
		2023	14,701,648,407	554,002,938,462	0.02654
6	DSSA	2021	106,184,499,447	3,790,536,185,714	0.02801
		2022	83,379,472,587	21,725,518,233,333	0.00384
		2023	86,572,236,024	14,421,891,983,333	0.00600
7	FIRE	2021	484,470,000	(45,893,211,775)	(0.01056)
		2022	515,000,000	(94,702,105,624)	(0.00544)
		2023	506,151,800	(516,235,294)	(0.98047)
8	GEMS	2021	31,339,698,396	5,050,276,319,544	0.00621
		2022	41,074,467,945	10,941,950,220,126	0.00375
		2023	56,279,261,057	8,147,124,992,296	0.00691
9	HRUM	2021	3,446,215,672	1,404,094,085,714	0.00245
		2022	5,872,079,149	6,329,535,116,667	0.00093
		2023	7,113,250,536	3,261,201,866,667	0.00218
10	INDY	2021	47,810,000,000	633,165,960,000	0.07551
		2022	47,480,000,000	5,107,760,970,000	0.00930
		2023	48,100,000,000	1,510,430,910,000	0.03185
11	ITMG	2021	29,316,000,000	6,783,339,910,000	0.00432
		2022	21,222,000,000	18,866,896,195,000	0.00112
		2023	20,856,000,000	7,702,141,920,000	0.00271
12	MBAP	2021	8,797,277,836	1,439,306,016,248	0.00611
		2022	8,460,000,000	2,797,074,871,864	0.00302
		2023	6,660,000,000	334,824,465,953	0.01989

Source: Data processed by Researcher

The table above, shows that the level of Corporate Social Responsibility is highest at:

The companies that obtained the highest corporate social responsibility score in 2021 were ADRO companies that obtained 0.00641, BYAN 0.01172, DSSA 0.02801, HRUM 0.00245, INDY 0.07551, and the last ITMG obtained 0.00432. In 2022, the company that received the highest score was the DOID company that obtained 0.04374. In 2023, the companies that obtained the highest score were BUMI company with 0.27809, DEWA with 0.03005, FIRE with -0.98047, GEMS with 0.00691, and the last MBAP with 0.01989.

Table 4.2 above, shows that the lowest level of Corporate Social Responsibility is at:

The company that obtained the lowest corporate social responsibility score in 2021 was the DOID company with 0.00346. In 2022, the companies that received the lowest score were ADRO companies with the lowest score of 0.00362 followed by other companies such as BUMI at 0.01354, BYAN at 0.00112, DEWA at -0.00303, DSSA at 0.00384, FIRE at -0.00544, GEMS at 0.00375, HRUM at 0.00093, INDY at 0.00930, ITMG at 0.00112, and finally MBAP at 0.00302.

3. Profitability

The dependent variable (Y) in this study is profitability in mining companies listed on the Indonesia Stock Exchange during 2021-2023. The following is data on the profitability of mining companies on the Indonesia Stock Exchange during 2021-2023.

Table of Profitability Data on Mining Companies on the IDX

Yes	Company Code	Year	ROA
1	ADRO	2021	0.13557
		2022	0.26257
		2023	0.17712
2	EARTH	2021	0.05289

		2022	0.12403
		2023	0.0064
3	BYAN	2021	0.52018
		2022	0.58336
		2023	0.3715
4	GOD	2021	1.93835
		2022	-0.03113
		2023	0.00434
5	DOID	2021	0.17149
		2022	0.01823
		2023	0.01917
6	DSSA	2021	0.08815
		2022	0.20269
		2023	0.28248
7	FIRE	2021	-0.09285
		2022	-0.25994
		2023	-0.00123
8	GEMS	2021	0.42704
		2022	0.61635
		2023	0.40300
9	HRUM	2021	0.11238
		2022	0.29697
		2023	0.11982
10	INDY	2021	0.01715
		2022	0.14212
		2023	0.04852
11	ITMG	2021	0.28531
		2022	0.45427
		2023	0.22836
12	MBAP	2021	0.38021
		2022	0.5852
		2023	0.0945

Source: Data processed by Researcher

The table above, shows that the highest level of profitability in:

The companies that obtained the highest profitability value in 2021 were DEWA companies that obtained 1.93835, DOID obtained 0.17149, and the last MBAP obtained 0.38021. The company that obtained the highest score in 2022 was ADRO company with the highest score of 0.26257 followed by other companies such as BUMI with 0.12403, BYAN with 0.58336, FIRE with -0.25994, GEMS with 0.61635, HRUM with 0.29697, INDY with 0.14212, and ITMG with 0.45427. In 2023, the company that received the highest score was the DSSA company with 0.28248.

The table above, shows that the lowest level of profitability is at:

The company that obtained the lowest profitability value in 2021 was ADRO company with the lowest value of 0.13557 followed by other companies such as DSSA with 0.08815, HRUM with 0.11238 and INDY with 0.01715. In 2022, the companies that received the lowest score were DEWA companies that obtained -0.03113 and DOID obtained 0.01823. In 2023, the companies that obtained the lowest value were BUMI company obtained 0.0064, BYAN obtained 0.3715, FIRE obtained -0.00123, GEMS obtained 0.40300, ITMG obtained 0.22836, and the last MBAP obtained 0.0945.

B. Data Analysis Testing

1. Classic Assumption Test

a) Data Normality Test

Data Normality Test Table

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		36
Normal Parameters, b	Mean	0
	Std. Deviation	0.34582
Most Extreme Differences	Absolute	0.192
	Positive	0.192
	Negative	-0.191
Test Statistic		0.192
Asymp. Sig. (2-tailed)		.002c
Exact Sig. (2-tailed)		0.124
Point Probability		0

Source: SPSS Version 25

The Kolmogrov Smirnov test has 3 approaches, namely Asymptotic Only, Monte Carlo, and the last one Exact. Based on the results of the data nomivity test carried out, the researcher used the Exact approach with a Sig of >0.05. Based on the results of the normality test, the data shows that the significant level obtained is 0.124, which means that the value is greater than 0.05 so that it can be said that the residual value is normally distributed.

b) Multicollinearity Test

Multicoliarity Test Table

Coefficient								
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIVID
1	(Constant)	0.147	0.093		1.581	0.123		
	X1	0.008	0.006	0.23	1.357	0.184	0.994	1.006
	X2	0.081	0.348	0.039	0.231	0.819	0.994	1.006
a. Dependent Variable: Y								

Source: SPSS Version 25

Based on the results of the multicollinearity test, it was shown that the VIF value obtained by the variables Intellectual Capital (X1) and Corporate Social Responsibility (X2) was 1,006 <10.0 and the tolerance value obtained by Intellectual Capital (X1) and Corporate Social Responsibility (X2) was 0.994>0.01 so that it can be concluded that multicollinearity did not occur.

c. Heteroscedasticity Test

Heteroscedasticity Test Table

Coefficient				
Type	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	0.242	0.075		3.203	0.003
	X1	-0.004	0.005	-0.131	-0.760	0.453
	X2	0.090	0.282	0.055	0.318	0.753
a. Dependent Variable: ABS_RES						

Source: SPSS Version 25

Based on the results of the heteroscedasticity test using the glycer method. This test aims to test whether in the regression model there is a residual variance disparity in one observation than another. Based on the results of the above output, it was obtained that the significance value of the Intellectual Capital (X1) variable was 0.453>0.05 and Corporate Social Responsibility (X2) was 0.753>0.05, so it can be said that there were no symptoms of heteroscedasticity.

2. Multiple Linear Regression Analysis

Table 4.7 Multiple Linear Analysis Test

Coefficient								
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIVID
1	(Constant)	0.147	0.093		1.581	0.123		
	X1	0.008	0.006	0.23	1.357	0.184	0.994	1.006
	X2	0.081	0.348	0.039	0.231	0.819	0.994	1.006
a. Dependent Variable: Y								

Source: SPSS Version 25

The table above can be seen based on the value of the constant of 0.147 and for Intellectual Capital 0.008, and for CSR of 0.081. So that it can be obtained, the multiple linear regression equation is as follows.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Profitability = 0.147 + 0.008X_1 + 0.081X_2 + e.$$

The multiple linear regression equation can be explained as follows:
1) The value of a positive constant indicates the positive influence of independent variables (X1, X2)
2) The value of the coefficient in the intellectual capital variable (X1) is 0.008, which means that if the variable X1 increases by one unit, Y will increase by 0.008 or 0.8%.
3) The coefficient value in the corporate social responsibility variable is 0.081, which means that if the X2 variable increases by one unit, Y will increase by 0.081 or 0.81%.

c) **Hypothesis Test**
1. **Partial Test (t-test)**

Table 4.8 Partial Test (t-test)

Coefficient									
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
		B	Std. Error	Beta			Tolerance	VIVID	
1	(Constant)	0.147	0.093		1.581	0.123			
	X1	0.008	0.006	0.23	1.357	0.184	0.994	1.006	
	X2	0.081	0.348	0.039	0.231	0.819	0.994	1.006	
a. Dependent Variable: Y									

Source: SPSS Version 25
a. Intellectual Capital (X1)
The significant value of the variable Intellectual Capital (X1) to Y is 0.184 > 0.05, so it can be concluded that the first hypothesis is rejected or there is no relationship between intellectual capital and profitability. So H0 is accepted and H1 is rejected.
b. Corporate Social Responsibility X2
If the significance of the variable X2 to Y is 0.819 > 0.05, it can be concluded that the second hypothesis is rejected or there is no relationship between corporate social responsibility and profitability. So H0 is accepted and H1 is rejected.
2. Simultaneous Test (F Test)

Table 4.9 Simultaneous Test (F Test)

NEW ERA						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.248	2	0.124	0.978	.387b
	Residual	4.186	33	0.127		
	Total	4.434	35			
a. Dependent Variable: Y						
b. Predictors: (Constant), X2, X1						

Source: SPSS Version 25
Based on the simultaneous tests that have been carried out, it can be seen in table 4 that the results of the simultaneous test are independent of the dependent variables. Where it can be seen that the F value is calculated (0.978) < the F value of the table (3.28), and the significant value is 0.387 > from 0.05. This means that independent variables (Intellectual Capital and Corporate Social Responsibility) simultaneously do not have a significant influence on the independent variables of Profitability. So it can be concluded that Intellectual Capital and Corporate Social Responsibility do not have a simultaneous influence on Profitability.

DISCUSSION

The Influence of Efficiency Levels on Financial Reporting in Companies Listed on the Jakarta Islamic Index (JII)

Efficiency means doing something quickly and correctly.[12] Efficiency is dynamic and requires continuous efforts to maintain and improve it. What is meant by efficiency level X1.

The results of research conducted by researchers at companies listed on the Jakarta Islamic Index (JII) regarding whether the level of efficiency affects financial reporting listed on the Jakarta Islamic Index (JII) for the 2021-2023 period. Results test Partial (test t) shows that there is a negative and insignificant influence between the level of efficiency on financial reporting registered in the Jakarta Islamic Index (JII) for the 2021-2023 period.

The results of this research are not in line with research conducted by Franycia Maria Pangkey, M Furkan, and Edy Herman in 2019, Roida Pakpahan in 2021. This research states that AI has a positive influence on human life and consumer buying interest as measured through a digital expert system. Meanwhile, in this research, X1 (level of efficiency) has no effect on financial reporting company which registered in Jakarta Islamic Index (JII).

The Influence of Accuracy Levels on Financial Reporting in Companies Listed on the Jakarta Islamic Index (JII)

Accuracy is the extent to which the consequences of estimates, calculations, or details correspond to precise values or standards.[13]What is meant by the level of accuracy is X2.

The results of research conducted by researchers at companies registered with the Jakarta Islamic Index (JII) regarding whether the level of accuracy affects financial reporting registered with the Jakarta Islamic Index (JII) for the 2021-2023 period. Results test Partial (test t) shows that the X2 value has a significant effect on financial reporting. The value of the beta coefficient X2 shows that there is a positive influence on the value of financial reporting.

The results of this research are in line with research conducted by Putri Ayunda Dipta Arviollisa, Arianis Chan, and Healthy Nirmalasari in 2021. This research states that AI has a positive effect on customer experience and accuracy in business operations. Meanwhile, in this research, X2 (level of accuracy) has an effect on financial reporting company which registered in Jakarta Islamic Index (JII).

The Influence of the Level of Data Analysis on Financial Reporting in Companies Listed on the Jakarta Islamic Index (JII)

Financial statement data analysis is an effort to analyze the entity's financial condition, the entity's past work results and future estimates to determine the entity's performance to date and estimate it in the future.[14] What is meant by the level of data analysis is X3.

The results of research conducted by researchers at companies registered with the Jakarta Islamic Index (JII) regarding whether the level of data analysis influences financial reporting registered with the Jakarta Islamic Index (JII) for the 2021-2023 period. Results test Partial (test t) shows that the X3 value has a significant effect on financial reporting. The value of the beta coefficient X3 shows that there is a positive influence on the value of financial reporting.

The results of this research are in line with research conducted by Muhammad Abyan Ramadhana & Ananda Sabil Hussein in 2022 which stated that AI has a good influence and can make an impression on companies. However, this research is in contrast to research conducted by I Putu Jordy Pratama Widiasa & I Putu Julianto in 2021. This research states in the second hypothesis that the implementation of an AI-based accounting system has a negative effect due to things that tend to be fraudulent financial reporting. Meanwhile, this research states that X3 (level of data analysis) influences financial reporting in companies listed on the Jakarta Islamic Index (JII).

People Muslim very recommended For prevent   irregularities   and   practice   truth   doing

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[12] Amirullah, Pengantar Manajemen, Cetakan Kedua, Graha Ilmu, Yogyakarta, 2011.

[13]Tedi, 'Perbedaaan Akurasi Dan Presisi', 14 March, 2023 <https://perbedaan.budisma.net/perbedaan-akurasi-dan-presisi.html>.

[14] V Wiratna Sujarweni, 'Analisis Laporan Keuangan (Teori, Aplikasi Dan Hasil Penelitian). Yogyakarta' (PUSTAKA BARU PRESS. Susilo Wulandari, 2019).

business, Which in explain to Surah An-Nisa verse 135. By applying sharia accounting principles, it can be seen from the meaning and interpretation of Surah An-Nisa verse 135. That accounting in sharia rules must fulfill 3 principles, namely accountability, the principle of justice and the principle of truth.

CONCLUSION

After analyzing the financial statements owned by the company, the authors can draw conclusions on the analysis carried out on Islamic banking companies located on the Indonesia Stock Exchange (IDX). The conclusions that the author can draw are:

1. Calculations carried out using the *zmijewski x-score* method on Islamic banking companies listed on the Indonesia Stock Exchange (IDX) can be concluded that all Islamic banking companies listed on the Indonesia Stock Exchange (IDX) are not experiencing *financial distress* in 2021-2023 based on calculations with the *zmijewski x-score* method.

2. From the calculation of Islamic banking companies on the Indonesia Stock Exchange with the *Zmijewski* method, it can be concluded that each company has its own assessment of *its financial* condition so that the accuracy of the data with research conducted by previous researchers must be based on research and sources from internal company parties.

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