

Do Tax Planning, CSR, and Liquidity Signal Firm Value in Indonesian Telecommunication Firms?

Qimyatussa'adah^{1*}, Mala Sharma², Permatasari Cahyaningdyah¹, Nika Esti Rahayu¹, Attaya Ramadhani¹

¹ Accounting Department, Polytechnic State of Madiun, East Java, Indonesia

² Government Art College, Mandal (affiliated to Gujarat University, Ahmedabad), India

e-mail: ^{a*}qsaadahhafidz@pnm.ac.id, ^bmalasharmampic@gmail.com, ^cpermatasari.c@pnm.ac.id,

^dnikaesti@gmail.com, and ^eattayarmdni18@gmail.com

* Corresponding Author

Abstract

Introduction/Main Objectives: This study examines the effects of tax planning, Corporate Social Responsibility (CSR), and liquidity on firm value in telecommunication companies listed on the Indonesia Stock Exchange during the 2020–2024 period. Grounded in signaling theory, this research analyzes how financial and non-financial corporate actions function as signals that influence market valuation. Extending prior research, this study employs three alternative liquidity proxies—Current Ratio, Quick Ratio, and Cash Ratio—to provide a multidimensional perspective on liquidity's role in shaping firm value. **Background Problems:** do tax planning, csr, and liquidity signal firm value? **Novelty:** This study introduces a multidimensional liquidity approach and refines signaling theory by demonstrating that financial and non-financial corporate signals are context-dependent, particularly in capital-intensive industries, using evidence from Indonesian telecommunication firms. **Research Methods:** multiple linear regression analysis on 100 firm-year observations. **Finding/Results** tax planning does not have a statistically significant effect on firm value across all models. Liquidity consistently demonstrates a negative effect, indicating that excessive liquidity may be interpreted by investors as inefficient capital allocation in a capital-intensive industry. CSR shows negative effect only in the Cash Ratio model, suggesting that CSR expenditures may be perceived as reducing financial flexibility when firms maintain high cash holdings. **Conclusion:** : the study refines signaling theory by demonstrating that corporate signals are context-dependent and that liquidity does not universally function as a positive market signal.

Keywords: Corporate social responsibility; Firm value, Sustainability; Tax planning;

JEL Classification: G32, M14, H26, M41

Article History: Received: May, 17th 2025 Revised: July, 12th 2025 Accepted: October, 20th 2025 Published: April, 1st 2026

How to cite: Qimyatussa'adah, et al. (2026). Do Tax Planning, CSR, and Liquidity Signal Firm Value in Indonesian Telecommunication Firms?. *AKRUAL: Jurnal Akuntansi*, 17(2). DOI: 10.26740/jaj.v17n2.p.217-229

Conflict of Interest Statement: here is no conflict of interest in the articles resulting from this research

INTRODUCTION

Firm value represents a fundamental indicator of corporate performance and long-term sustainability, as it reflects market perceptions regarding a company's current financial condition and its future growth prospects (Ahsan et al., 2022). In capital markets, firm value is commonly proxied by stock prices and valuation ratios such as Price to Book Value (PBV), which serve as essential signals for investors when evaluating risk and expected returns (Badruzaman et al., 2022; Polat & Altundal, 2025). A higher PBV generally indicates

stronger investor confidence, while lower PBV levels may signal uncertainty regarding a firm's strategic direction or financial stability. Therefore, identifying determinants of firm value remains a central issue in financial and accounting research.

The telecommunication sector holds a strategic position in Indonesia's economic development, particularly in supporting digital infrastructure, technological transformation, and nationwide connectivity (Anggreani et al., n.d.; Rohman et al., 2025). Companies in this sector operate within a highly capital-intensive environment characterized by rapid technological change, significant infrastructure investment, and strong regulatory oversight. The 2020–2024 period, marked by post-pandemic economic recovery and increasing digitalization, intensified these challenges. In such circumstances, firms are required to adopt effective financial and non-financial strategies to sustain competitiveness, maintain operational resilience, and enhance investor confidence.

Among financial strategies, tax planning plays a potentially important role in shaping firm value (Guedrib & Marouani, 2023; Tackie et al., 2022; Tanko, 2025). Tax planning refers to managerial efforts to minimize tax liabilities through legally compliant mechanisms under prevailing regulations. Effective tax planning may improve after-tax earnings and cash flows, strengthening financial performance and signaling managerial efficiency. However, aggressive tax practices may increase regulatory scrutiny and reputational risk, potentially offsetting financial benefits. Consequently, prior empirical findings regarding the relationship between tax planning and firm value have been inconclusive, suggesting the need for further investigation within specific industry contexts.

Beyond purely financial considerations, Corporate Social Responsibility (CSR) has emerged as a key non-financial determinant of firm value. CSR reflects a company's commitment to integrating social and environmental responsibilities into its business operations. In Indonesia, CSR implementation is regulated, particularly for firms whose activities significantly affect society and the environment. Effective CSR initiatives may enhance corporate reputation, strengthen stakeholder trust, and contribute to long-term value creation (Chang et al., 2022; Farooq et al., 2025; Seth & Mahenthiran, 2022). Nevertheless, CSR activities also require substantial financial resources, and their immediate financial impact may not always align with market expectations. This creates potential tension between short-term profitability and long-term sustainability objectives.

Liquidity constitutes another critical factor influencing firm value. Liquidity reflects a company's ability to meet short-term obligations and maintain financial flexibility. Adequate liquidity signals financial stability and reduces default risk, thereby enhancing investor confidence. However, excessive liquidity may indicate inefficient asset utilization, while insufficient liquidity threatens operational continuity. This trade-off is particularly relevant in capital-intensive industries such as telecommunications, where firms must balance cash holdings with ongoing investment in infrastructure and innovation. Thus, liquidity management may influence firm value in complex and potentially non-linear way (Chakraborty & Maruf, 2023; Khan et al., 2022; Njenga et al., 2026)s.

Despite the theoretical importance of tax planning, CSR, and liquidity, empirical evidence regarding their effects on firm value remains inconsistent. Moreover, studies



focusing specifically on the Indonesian telecommunication sector are relatively limited (Lazuardi et al., 2025). This study addresses this gap by examining the impact of tax planning, CSR, and liquidity on firm value among telecommunication companies listed on the Indonesia Stock Exchange during the 2020–2024 period. This research represents an extension by examining the relationship between tax planning, CSR, and liquidity on firm value using an expanded analytical framework by employing three distinct liquidity measures: Current Ratio, Quick Ratio, and Cash Ratio. The use of multiple liquidity proxies enables a more comprehensive assessment of short-term financial strength and allows for comparative analysis across varying degrees of liquidity strictness. By incorporating these three measures, this study provides deeper insights into how different dimensions of liquidity management influence firm value in a capital-intensive sector.

This study is grounded in Signaling Theory, which explains how corporate financial and non-financial decisions function as observable signals that reduce information asymmetry between managers and investors (Di Chiacchio et al., 2025; Khatri, 2025). In capital markets, managers possess superior knowledge about a firm's internal performance and future prospects. Consequently, investors rely on credible signals embedded in financial ratios, disclosures, and strategic actions to evaluate firm quality.

Within the Indonesian telecommunication sector—characterized by capital intensity, infrastructure expansion, and regulatory oversight—signals related to financial efficiency, sustainability commitment, and liquidity management become particularly important. Unlike traditional studies that treat liquidity as a single financial ratio, this study adopts a multidimensional approach by incorporating Current Ratio, Quick Ratio, and Cash Ratio as alternative liquidity proxies. This extension allows a deeper understanding of how different degrees of liquidity strictness signal firm quality.

In this framework, tax planning signals managerial efficiency in optimizing after-tax performance; CSR disclosure signals long-term sustainability orientation and stakeholder responsibility; and liquidity ratios signal short-term financial stability and risk management capacity. However, signaling theory also acknowledges that signals may be interpreted differently depending on context. A signal perceived as strong in one setting may be interpreted as inefficiency in another. In capital-intensive industries, excessive liquidity may signal idle assets rather than financial strength, while CSR expenditures may be interpreted either as strategic investment or short-term cost burden. Thus, this study refines the theoretical perspective by emphasizing that financial and non-financial signals must be interpreted within industry-specific characteristics and market expectations.

Tax planning represents managerial efforts to legally minimize tax liabilities and optimize after-tax earnings. From a signaling perspective, efficient tax planning may indicate strong internal governance, financial discipline, and profitability management. These characteristics should, theoretically, enhance investor confidence and firm value.

However, the signaling effect of tax planning is conditional. If investors perceive tax strategies as aggressive or non-transparent, the signal may generate reputational concerns and regulatory risk, potentially offsetting financial benefits. Prior studies report inconsistent results, some shown positive relation (Acito & Nessa, 2022; Guedrib & Marouani, 2023; Schwab et al., 2022; Tackie et al., 2022; Tanko, 2025), others shown negative relation (Le et al., 2022; Nebie & Cheng, 2023), suggesting that the relationship between tax planning and firm value may vary across sectors and institutional environments (Joana & Abdi, 2022;

Kouroub & Oubdi, 2022; Novita & Fahmy, 2022).

CSR reflects a firm's commitment to ethical conduct, environmental sustainability, and social accountability. Under signaling theory, CSR disclosure reduces uncertainty regarding long-term orientation and stakeholder management. Transparent CSR reporting may enhance legitimacy and corporate reputation, leading to higher firm value (Farooq et al., 2025; Huang et al., 2022; Ouyang et al., 2023; Seth & Mahenthiran, 2022). However, CSR activities also involve substantial financial resources. In industries requiring continuous capital investment, such as telecommunications, CSR spending may compete with infrastructure development and technological innovation. Consequently, the market response to CSR may depend on whether investors perceive it as strategic investment (Benjamin & Biswas, 2022; Gaoa & Han, 2020) or cost inefficiency (Ahsan et al., 2022; Choi & Yoo, 2022; Khanchel et al., 2023). Given these competing interpretations, the relationship remains an empirical question.

Liquidity signals a firm's ability to meet short-term obligations and maintain operational stability. Adequate liquidity reduces default risk and enhances investor confidence (Chakraborty & Maruf, 2023; Khan et al., 2022; H. T. L. Nguyen, 2023; Njenga, 2026). However, excessive liquidity may signal inefficient capital allocation, especially in growth-oriented industries (Quoc et al., 2024). This study extends the analysis by incorporating three liquidity measures: current ratio (CR), broad measure of working capital strength; quick ratio (QR), stricter liquidity measure excluding inventories; cash ratio, most conservative indicator, focusing solely on cash and cash equivalents. By differentiating these proxies, this study examines whether varying degrees of liquidity strictness produce different signaling effects on firm value. This extension strengthens the theoretical contribution by testing whether liquidity's effect is robust across alternative financial representations.

Firm value is not determined by a single corporate policy but by the interaction of multiple signals (Ifegha & Okene, 2023; Vuković et al., 2024). Tax planning reflects financial efficiency, CSR represents sustainability commitment, and liquidity signals financial stability. Together, these factors form a composite signal evaluated holistically by investors. The integrated framework recognizes that market valuation arises from the combined interpretation of financial performance, social responsibility, and liquidity structure.

RESEARCH METHOD

This study adopts a quantitative explanatory research design to analyze the effect of tax planning, Corporate Social Responsibility (CSR), and liquidity on firm value. The approach is intended to explain causal relationships among variables using secondary financial data and multiple linear regression analysis. The observation period covers five years, from 2020 to 2024. The research focuses on telecommunication companies listed on the Indonesia Stock Exchange (IDX). The population includes all firms within this sector during the observation period. Sample selection is conducted using purposive sampling, based on the availability of complete annual reports, sustainability reports, and consistent financial data. Based on these criteria, 20 companies are selected, resulting in 100 firm-year observations



Table 1. Selection of research samples

Criteria	Amount
Telecommunication companies company listed on the Indonesia Stock Exchange for the 2020–2024 period	23
Companies that do not publish annual reports during the 2020–2024 period	(2)
Companies that do not publish sustainability reports during the 2020–2024 period	(1)
Number of samples that meet the criteria (i)	20
Years of observations (t)	5
Total observations (i*t)	100

Source: data processed

Firm value is measured using Price to Book Value (PBV), which reflects market valuation relative to book value. Tax planning is measured using the Effective Tax Rate (ETR), indicating the proportion of tax expense to pre-tax income. Corporate Social Responsibility is measured using a CSR Disclosure Index based on Global Reporting Initiative (GRI) standards, calculated as, (CSR Index = Total CSR Items Disclosed / Total CSR Items Required). Liquidity is measured using the current ratio (CR), quick ratio and cash ratio to capture more comprehensive nature of liquidity. Data analysis is conducted using descriptive statistics and multiple linear regression analysis. This study develops to comprehend the impact of alternative liquidity proxies:

Model 1: $PBV = a + b_1(\text{Tax Planning}) + b_2(\text{CSR}) + b_3(\text{CR}) + e$

Model 2: $PBV = a + b_1(\text{Tax Planning}) + b_2(\text{CSR}) + b_3(\text{QR}) + e$

Model 3: $PBV = a + b_1(\text{Tax Planning}) + b_2(\text{CSR}) + b_3(\text{CashR}) + e$

RESULTS AND DISCUSSION

The descriptive statistical analysis provides an overview of the distribution and characteristics of the research variables, namely tax planning, Corporate Social Responsibility (CSR), liquidity, and firm value, observed across telecommunication companies listed on the Indonesia Stock Exchange during the 2020–2024 period. Firm value, measured using Price to Book Value (PBV), shows considerable variation among companies, indicating differences in market valuation and investor perception within the sector. This variation suggests that telecommunication firms experience heterogeneous performance and strategic outcomes despite operating within the same industry environment.

Tax planning, proxied by the Effective Tax Rate (ETR), demonstrates variability across firms and years, reflecting differences in tax management strategies and profitability structures. The CSR disclosure index also varies, indicating that while some companies consistently disclose CSR activities in accordance with Global Reporting Initiative (GRI) standards, others provide more limited disclosures.

Liquidity, measured by the Current Ratio, Quick Ratio and Cash Ratio show both relatively high and low values, suggesting differences in firms' abilities to meet short-term obligations and in their working capital management strategies. The Current Ratio reflects the overall ability of firms to meet short-term liabilities using total current assets, including inventories. The variation observed in the Current Ratio across telecommunication

companies suggests differences in working capital policies and operational efficiency. Some firms maintain relatively high levels of current assets compared to their short-term obligations, which may indicate conservative liquidity management, while others operate with tighter liquidity positions to enhance asset productivity.

The Quick Ratio, which excludes inventories from current assets, provides a stricter measure of liquidity by focusing on more liquid components such as cash, receivables, and short-term investments. The descriptive statistics reveal noticeable dispersion in Quick Ratio values, implying that certain companies rely more heavily on liquid assets that can be readily converted into cash. This variation reflects differences in asset structure and risk tolerance among firms. Companies with higher Quick Ratios tend to exhibit stronger immediate solvency positions, whereas lower ratios may indicate a greater dependence on inventory turnover or short-term financing arrangements.

Meanwhile, the Cash Ratio, representing the proportion of cash and cash equivalents relative to current liabilities, shows the most conservative measure of liquidity. The descriptive findings indicate that cash holdings differ substantially among firms within the sector. Some companies maintain significant cash reserves to ensure financial flexibility and to support capital-intensive investment requirements typical of the telecommunications industry. Others maintain lower cash ratios, potentially signaling a more aggressive financial strategy that emphasizes reinvestment and asset utilization.

Model 1: Tax Planning, CSR, and Current Ratio on Firm Value

The regression analysis for Model 1, which employs Current Ratio (CR) as the liquidity proxy, initially indicated the presence of autocorrelation based on the Durbin–Watson statistic. To address this issue, the Cochrane–Orcutt procedure was applied, and the regression was re-estimated using lagged variables. After correction, the model satisfied the classical assumption requirements and was deemed appropriate for interpretation. The regression equation for Model 1 is formulated as:

$$\text{LAG_LnPBV} = 0.288 + 0.097(\text{LAG_LnTax}) - 0.162(\text{LAG_LnCSR}) - 0.273(\text{LAG_LnCR}) + e$$

The empirical findings reveal that tax planning does not have a statistically significant effect on firm value. This suggests that variations in effective tax rates among telecommunication firms do not meaningfully influence market valuation. From a signaling theory perspective, tax planning strategies may not provide sufficiently strong or transparent signals to investors, particularly in a highly regulated industry such as telecommunications.

CSR does not exhibit a statistically significant effect in this model. This implies that CSR disclosure alone, when liquidity is measured using Current Ratio, is not perceived by investors as a determinant of firm value. Meanwhile, liquidity, proxied by Current Ratio, demonstrates a statistically significant negative effect on firm value. This indicates that higher levels of overall current assets relative to short-term liabilities may be interpreted by the market as inefficiency in working capital management. Excess liquidity could signal idle resources rather than productive investment. Simultaneously, tax planning, CSR, and Current Ratio collectively show a significant influence on firm value, confirming that financial efficiency and liquidity structure together contribute to explaining variations in PBV.



Model 2: Tax Planning, CSR, and Quick Ratio on Firm Value

Similar to Model 1, the initial regression for Model 2 indicated autocorrelation. After applying the Cochrane–Orcutt correction and incorporating lagged variables, the Dur bin–Watson statistic improved, and the model met the classical assumptions. The regression equation for Model 2 is:

$$\text{LAG_LnPBV} = 0.052 + 0.076(\text{LAG_LnTax}) - 0.167(\text{LAG_LnCSR}) - 0.594(\text{LAG_LnQR}) + e$$

The results indicate that tax planning remains statistically insignificant, reinforcing the conclusion that tax management strategies are not directly reflected in market-based firm valuation. CSR also does not demonstrate a statistically significant effect in this specification.

Liquidity, measured by quick ratio, shows a strong and statistically significant negative effect on firm value. Since quick ratio excludes inventories and focuses on highly liquid assets, this result suggests that maintaining excessive liquid assets (excluding inventories) may reduce perceived growth opportunities. Investors may prefer firms that allocate resources toward productive investments rather than maintaining conservative liquidity buffers. The simultaneous testing confirms that tax planning, CSR, and Quick Ratio jointly affect firm value, highlighting that valuation decisions consider multiple financial signals.

Model 3: Tax Planning, CSR, and Cash Ratio on Firm Value

For Model 3, autocorrelation was also detected in the initial estimation. The application of the Cochrane–Orcutt procedure and the use of lag variables successfully eliminated the autocorrelation problem, as indicated by the improved Durbin–Watson value. The regression equation for Model 3 is:

$$\text{LAG_PBV} = 0.179 + 0.097(\text{LAG_LnTax}) - 0.273(\text{LAG_LnCSR}) - 0.154(\text{LAG_LnCash}) + e$$

Consistent with the previous models, tax planning does not significantly influence firm value. However, in this model, CSR exhibits a statistically significant negative effect on firm value. This suggests that when liquidity is measured strictly using cash holdings, higher CSR disclosure is associated with lower PBV. From a signaling theory perspective, CSR expenditures may be perceived as reducing available cash resources without generating immediate financial returns. Investors may interpret extensive CSR activities as short-term cost burdens rather than long-term value drivers.

Liquidity, proxied by cash ratio, also shows a statistically significant negative effect. This indicates that excessive cash holdings may signal inefficient capital allocation. In capital-intensive industries such as telecommunications, investors often expect firms to reinvest cash into infrastructure expansion and technological development. High cash reserves may therefore be interpreted as underutilization of financial resources. The simultaneous test confirms that tax planning, CSR, and Cash Ratio collectively influence firm value, underscoring that valuation is shaped by an interaction of tax efficiency, social responsibility practices, and liquidity management.

Tables 2. Summary of Multiple Regression Results

Panel A. Regression Coefficients (Partial Test)

	Model 1 (Current Ratio)				Model 2 (Quick Ratio)				Model 3 (Cash Ratio)			
	B	Beta	t-value	Sig.	B	Beta	t-value	Sig.	B	Beta	t-value	Sig.
ETR	0.097	0.203	1.667	0.101	0.076	0.134	1.012	0.317	0.097	0.187	1.471	0.149
CSR	-	-	-	0.148	-	-	-	0.244	-	-	-	0.038**
L	0.162	0.171	1.475	0.027**	0.167	0.150	1.180	0.000***	0.273	0.292	2.142	0.036**
	0.273	0.278	2.289		0.594	0.452	3.812		0.154	0.271	2.164	

Source: data processed

Notes: $p < 0.05$, $p < 0.01$

Liquidity is measured by Current Ratio (Model 1), Quick Ratio (Model 2), and Cash Ratio (Model 3).

Panel B. Model Summary Statistics (Simultaneous Test)

Indicators	Model 1 (CR)	Model 2 (QR)	Model 3 (Cash Ratio)
R	0.438	0.521	0.417
R Square (R ²)	0.191	0.272	0.174
Adjusted R ²	0.144	0.230	0.127
F-statistic	4.025	6.587	3.728

Source: data processed

Across all three models, tax planning does not exhibit a statistically significant effect on firm value (Le et al., 2022; Nebie & Cheng, 2023). Although the regression coefficients are consistently positive, their lack of statistical significance suggests that variations in effective tax rates do not materially influence market valuation in this sector. From a signaling theory perspective, this result indicates that tax planning may not function as a strong observable signal for investors. In regulated industries such as telecommunications, tax practices are often subject to strict oversight, reducing the likelihood that tax efficiency alone differentiates firm quality. Moreover, investors may prioritize broader performance indicators—such as profitability, growth opportunities, and market expansion—over tax-related metrics. Another possible explanation is that tax planning benefits are already embedded in financial performance measures, such as net income, thereby limiting its incremental signaling value. This finding aligns with studies suggesting that tax planning does not directly enhance firm value unless it is accompanied by transparent disclosure and clear long-term strategic positioning.

One of the most notable findings is that liquidity consistently shows a statistically significant negative effect on firm value across all three models (Ifegha & Okene, 2023; N. P. A. Nguyen & Dao, 2022; Vuković et al., 2024). This result contrasts with conventional financial theory, which often assumes that higher liquidity signals financial stability and lower default risk. In the telecommunication sector, however, liquidity appears to be interpreted differently. As a capital-intensive industry requiring continuous investment in

infrastructure and technological innovation, firms are expected to deploy financial resources actively rather than accumulate idle assets. High current ratio, quick ratio, or cash ratio levels may therefore signal underutilization of resources or conservative financial strategies that limit growth potential.

The negative coefficient of Quick Ratio in Model 2 is particularly strong, suggesting that investors are sensitive to the proportion of highly liquid assets excluding inventories. Similarly, the negative effect of Cash Ratio indicates that excessive cash holdings may be perceived as inefficient capital allocation. These findings refine Signaling Theory by demonstrating that the interpretation of liquidity depends on industry characteristics and growth expectations. In high-growth sectors, optimal liquidity—not excessive liquidity—is more likely to enhance firm value.

CSR shows a statistically significant negative effect in the Cash Ratio model (Ahsan et al., 2022; Choi & Yoo, 2022) but remains insignificant in the Current Ratio and Quick Ratio models. This pattern suggests that CSR's valuation effect depends on the financial structure of the firm, particularly its cash position. When liquidity is measured strictly through cash holdings, CSR expenditures may be perceived as reducing financial flexibility. Investors may interpret extensive CSR programs as immediate cash outflows that limit available funds for expansion or technological investment. In capital-intensive sectors, market participants may prioritize reinvestment capacity over social expenditure unless CSR initiatives clearly demonstrate strategic alignment and measurable financial benefits. This finding does not necessarily imply that CSR destroys value; rather, it indicates that CSR's benefits may be long-term and not immediately reflected in market valuation. It also underscores the importance of effective communication. If CSR initiatives are not perceived as strategically relevant, they may be interpreted as cost burdens.

The simultaneous regression results show that tax planning, CSR, and liquidity jointly influence firm value. This confirms that investors evaluate firms holistically, considering both financial efficiency and sustainability commitments. However, the relative strength of liquidity in explaining firm value suggests that short-term financial management remains a dominant concern in investor decision-making within the Indonesian telecommunication sector. Non-financial initiatives such as CSR appear to play a secondary role unless clearly integrated into a broader value-creation strategy.

CONCLUSION

This study examines the effects of tax planning, Corporate Social Responsibility (CSR), and liquidity on firm value in Indonesian telecommunication companies during the 2020–2024 period, through the use of three liquidity proxies—Current Ratio, Quick Ratio, and Cash Ratio—this research provides a more comprehensive understanding of how liquidity structure influences market valuation. The findings show that tax planning does not have a statistically significant effect on firm value across all models, indicating that tax efficiency is not a primary signal considered by investors in this sector.

Liquidity, however, consistently exhibits a statistically significant negative effect on firm value. This suggests that excessive liquidity may be interpreted as inefficient capital allocation rather than financial strength in a capital-intensive industry such as telecommunications. CSR demonstrates a significant negative effect in the Cash Ratio model, implying that CSR expenditures may be perceived as reducing financial flexibility when firms maintain high cash reserves.

Simultaneously, tax planning, CSR, and liquidity collectively influence firm value, confirming that investors evaluate firms based on the interaction of financial efficiency, sustainability commitment, and liquidity management. Overall, the study refines signaling theory by demonstrating that corporate signals are context-dependent and that liquidity does not universally function as a positive market signal.

This study has several limitations. First, the research focuses solely on telecommunication companies listed on the Indonesia Stock Exchange, which limits the generalizability of the findings to other industries. Second, the observation period (2020–2024) reflects specific economic conditions, including post-pandemic recovery, which may influence investor behavior and financial strategies. Third, firm value is measured only by Price to Book Value (PBV), which may not fully capture market valuation dynamics. Additionally, the study employs ETR as a proxy for tax planning and CSR disclosure index for sustainability measurement, which may not completely represent the complexity of these variables.

Future studies may expand the scope by including additional sectors to compare whether liquidity effects differ across industries. Researchers may also extend the observation period to examine long-term valuation impacts, particularly regarding CSR. Incorporating alternative firm value measures such as Tobin's Q or market capitalization could provide broader insights. Furthermore, future research may explore nonlinear relationships between liquidity and firm value or include moderating variables such as profitability, leverage, or growth opportunities to better capture contextual effects.

ACKNOWLEDGMENT

This research was funded by the Center for Research and Community Service (P3M), Politeknik Negeri Madiun (PNM) through a research grant. The authors gratefully acknowledge this financial support, which enabled the completion of this study.

AUTHORSHIP CONTRIBUTION STATEMENT

Qimyatussa'adah: Conceptualization, Methodology, Supervision, Writing – Original Draft, Project Administration.

Mala Sharma: Methodology, Formal Analysis, Data Curation, Writing – Review & Editing.

Permatasari Cahyaningdyah: Investigation, Resources, Data Curation, Validation.

Nika Esti Rahayu: Software, Data Curation, Writing – Original Draft.

Attaya Ramadhani: Software, Formal analysis, Visualization

REFERENCES

- Acito, A. A., & Nessa, M. (2022). Law Firms as Tax Planning Service Providers. *Law Firms as Tax Planning Service Providers*, 97(4), 1–26.
- Ahsan, T., Al-Gamrh, B., & Mirza, S. S. (2022). Corporate social responsibility and firm-value: the role of sensitive industries and CEOs power in China. *Applied Economics*, 54(16), 1844–1863.



- Anggreani, D., Stie, S., & Pratama, M. (n.d.). *The Impact of Digital Transformation on Economic Growth in Developing Countries: A Case Study of Indonesia*.
- Badruzaman, J., Fadilah, A. R., & Abdurrahman, F. (2022). Determining the Effect of Return on Equity (ROE) on Price Earnings Ratio (PER) and Price to Book Value (PBV) in LQ45 companies, Indonesia. *WSEAS Transactions on Business and Economics*, 19, 1564–1575. <https://doi.org/10.37394/23207.2022.19.141>
- Benjamin, S. J., & Biswas, P. K. (2022). Does winning a CSR Award increase firm value? *International Journal of Disclosure and Governance*, 19(3), 313–329. <https://doi.org/10.1057/s41310-022-00142-8>
- Chakraborty, B., & Maruf, Md. Y. H. (2023). Are Liquidity, Dividend Policy, Leverage, and Profitability the Determinants of Firm Value: Evidence from the Listed Firms? . *Coperni-Can Journal of Finance & Accounting*, 12(1), 47–63.
- Chang, X., Fu, K., Jin, Y., & Liem, P. F. (2022). Sustainable Finance: ESG/CSR, Firm Value, and Investment Returns. *Asia-Pacific Journal of Financial Studies*, 51(3), 319–509.
- Choi, S., & Yoo, J. (2022). The Impact of Technological Innovation and Strategic CSR on Firm Value: Implication for Social Open Innovation. *Journal of Open Innovation Technology, Market and Complexity*, 8(4), 1–20.
- Di Chiacchio, L., Vivian, B., Cegarra-Navarro, J., & Garcia-Perez, A. (2025). The evolution of non-financial report quality and visual content: information asymmetry and strategic signalling: a cross-cultural perspective. *Environment, Development and Sustainability*, 27(11), 26427–26457. <https://doi.org/10.1007/s10668-024-04779-z>
- Farooq, M., Khan, I., Kainat, M., & Mumtaz, A. (2025). Corporate social responsibility and firm value: the role of enterprise risk management and corporate governance. *Corporate Governance*, 25(3), 631–663.
- Gaoa, Y., & Han, K.-S. (2020). Managerial overconfidence, CSR and firm value. *Asia-Pacific Journal of Accounting & Economics*, 29(6), 1600–1618.
- Guedrib, M., & Marouani, G. (2023). The interactive impact of tax avoidance and tax risk on the firm value: new evidence in the Tunisian context. *Asian Review of Accounting*, 31(2), 203–226.
- Huang, H., Shang, R., Wang, L., & Gong, Y. (2022). Corporate social responsibility and firm value: evidence from Chinese targeted poverty alleviation. *Management Decision*, 60(12), 3255–3274.
- Ifegha, D. O., & Okene, A. J. (2023). Liquidity, Firm Size, Financial Leverage on Firm Value Moderated by the Profitability of Maritime Firms in Nigeria. *European Journal of Accounting, Finance and Investment*, 9(2).
- Joana, S. M., & Abdi, M. (2022). Pengaruh Tax Planning, Nilai Perusahaan, dan Leverage terhadap Praktik Perataan Laba. *Jurnal Manajerial Dan Kewirausahaan*, 4(3), 836–843.
- Khan, M. A., Hussain, A., Ali, M. M., & Tajummul, M. A. (2022). Assessing the Impact of Liquidity on the value of Assets Return. *Global Business Management Review*, : 14.
- Khanchel, I., Lassoued, N., & Gargoury, R. (2023). CSR and firm value: is CSR valuable during the COVID 19 crisis in the French market? *Journal of Management and Governance*, 27, 575–601.

- Khatri, I. (2025). The effect of non-financial disclosure regulation on earnings management: information symmetry, signalling or political costs? *Accounting Research Journal*, 38(2), 302–324.
- Kouroub, S., & Oubdi, L. (2022). Tax Planning: Theory and Modeling. *Journal of Applied Business, Taxation and Economics Research (JABTER)*, 1(6), 594–613.
- Lazuardi, A., Qimiyatussa'adah, & Tohari, H. (2025). Pengaruh Perencanaan Pajak, Corporate Social Responsibility (CSR) dan Tingkat Likuiditas terhadap Nilai Perusahaan Telekomunikasi yang Terdaftar di BEI Tahun 2020-2024. Politeknik Negeri Madiun.
- Le, V. H., Vu, T. A. T., & Nguyen, M. H. (2022). Tax Planning And Firm Value: The Case of Companies with Different State Ownership in Vietnam. *Journal of Eastern European and Central Asian Research*, 9(2), 333–343.
- Nebie, M., & Cheng, M. C. (2023). Corporate tax avoidance and firm value: Evidence from Taiwan. *Cogent Business and Management*, 10(3). <https://doi.org/10.1080/23311975.2023.2282218>
- Nguyen, H. T. L. (2023). The Effect of Auditor's Personal Characteristics on Professional Judgment and Ethics in Auditing. *International Journal of Knowledge and Systems Science*, 14(1). <https://doi.org/10.4018/IJKSS.329241>
- Nguyen, N. P. A., & Dao, T. T. B. (2022). Liquidity, corporate governance and firm performance: A meta-analysis. *Cogent Business & Management*, 1–26.
- Njenga, A. N. (2026). An Empirical Assessment of the Effect of Dividend Yield on the Link Between Firm Liquidity and Value of Firms Listed at the Nairobi Securities Exchange. *Journal of Finance and Investment Analysis*, 1. <https://doi.org/10.47260/jfia/1511>
- Njenga, A. N., Mwangi, C., & Okiro, K. O. (2026). An Empirical Assessment of the Effect of Dividend Yield on the Link Between Firm Liquidity and Value of Firms Listed at the Nairobi Securities Exchange. *Journal of Finance and Investment Analysis*, 15, 1–13.
- Novita, W., & Fahmy, R. (2022). Tax Planning on The Multinational Companies in Indonesia. *Asean International Journal*, 1(1), 1–9.
- Ouyang, Z., Lv, R., & Liu, Y. (2023). Can corporate social responsibility protect firm value during corporate environmental violation events? *Corporate Social Responsibility and Environmental Management*, 30(4), 1942–1952.
- Polat, A., & Altundal, V. (2025). Investigating the Effect of Banks' Price/Earnings Ratio and Market Value/Book Value Ratio on Stock Prices: Panel Data Analysis in Türkiye. *Üçüncü Sektör Sosyal Ekonomi Dergisi*, 60(4), 4229–4244. <https://doi.org/10.63556/tisej.2025.1708>
- Quoc, T. N. K., Phan, T. H. N., & Hang, N. M. (2024). The Effect of Liquidity on Firm's Performance: Case of Vietnam. *Journal of Eastern European and Central Asian Research*, 11(1), 175–186.
- Rohman, I. K., Naufal, M. M., & Naufal, I. (2025). *Indonesian Service Sector Review: Telecommunications*.



- Schwab, C. M., Stomberg, B., & Williams, B. M. (2022). Effective Tax Planning. *The Accounting Review*, 97(1), 413–437.
- Seth, R., & Mahenthiran, S. (2022). Impact of dividend payouts and corporate social responsibility on firm value – Evidence from India. *Journal of Business Research*, 146, 571–581.
- Tackie, G., Agyei, S. K., Bawuah, I., Adela, V., & Bossman, A. (2022). Tax planning and financial performance of insurance companies in Ghana: the moderating role of corporate governance. *Accounting, Corporate Governance & Business Ethics*, 1–18.
- Tanko, U. M. (2025). Financial attributes and corporate tax planning of listed manufacturing firms in Nigeria: moderating role of real earnings management. *Journal of Financial Reporting and Accounting*, 23(3), 1024–1056.
- Vuković, B., Tica, T., & Jakšić, D. (2024). Firm value determinants: panel evidence from European listed companies. *Strategic Management*, 29(1), 055–071.