

Research Article

The Effect of Corporate Social Responsibility Disclosure, Financial Performance, and Firm Size on Stock Returns

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Abstract: Stock returns represent a crucial parameter that serves as a reference for investors in evaluating company performance. A decline in returns has occurred in several mining companies listed on the IDX, despite the sector's vital role in the national economy. This study aims to examine the effect of Corporate Social Responsibility (CSR), Return on Assets (ROA), Return on Equity (ROE), Debt to Equity Ratio (DER), and Firm Size on the stock returns of mining companies listed on the IDX during the 2022–2024 period. The sample was determined using purposive sampling, resulting in 56 observational data after outliers were removed. To meet the assumptions of classical tests, several variables were transformed using natural logarithms, and data were analyzed using multiple linear regression. The results indicate that CSR, ROE, and Firm Size have no significant effect on stock returns, whereas ROA and DER show a significant positive effect. These findings suggest that investors tend to emphasize financial fundamentals, particularly profitability and capital structure, rather than non-financial aspects such as CSR activities. The implication for companies is the need to enhance operational efficiency and optimize financial structures to attract investors and improve returns. Future researchers are encouraged to incorporate external variables such as global commodity prices, market risk, and macroeconomic indicators, as well as expand the observation period and apply more diverse methodological approaches to provide a more comprehensive understanding of stock return dynamics in the mining sector.

Keywords: Capital Structure; Corporate Social Responsibility Disclosure; Financial Performance; Firm Size; Stock Returns.

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1. INTRODUCTION

In the era of Industry 5.0, Indonesia's economy has been developing rapidly. The Indonesian economy has experienced significant growth in recent years. In this context, the capital market plays an important role in the economy as an intermediary between parties with excess funds (investors) and parties in need of funds (issuers) (Karlina & Widanaputra, 2016). Stocks are one of the most attractive investment instruments for investors, as they have the potential to provide relatively high returns compared to other instruments. An investor invests capital in stocks with the expectation of obtaining returns on the invested funds. These returns may take the form of dividends or capital gains, commonly referred to as stock returns.

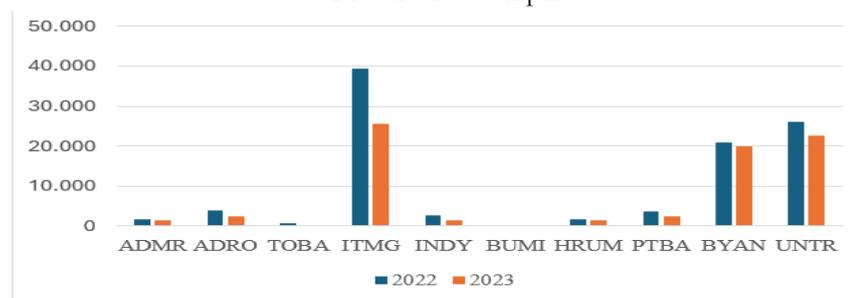
Stock returns represent the compensation from investments made by investors or shareholders in the form of profits obtained from stock trading in the capital market (Sidik et al., 2023). In other words, stock returns reflect the outcomes received by investors from stock ownership over a certain period. Such returns not only represent financial gains but also serve as indicators of investment strategy success as well as the fundamental and technical conditions of the company concerned.

In some cases, stock returns are realizations of returns that were previously predicted or estimated based on historical data (Chandra & Darmayanti, 2022). Historical returns are often used as a benchmark for estimating future returns and for assessing investment risk. Historical return analysis provides insight into how stocks react to market conditions, thereby assisting investors in formulating more appropriate investment strategies and managing risks more effectively (Trisna & Astika, 2018).

An investor must analyze the relationship between the amount of capital invested and the expected rate of return on that investment. Investors will also be more confident when companies demonstrate strong performance in their financial departments. Careful stock valuation can reduce risks and enable reasonable profits, as stock investments in the capital market inherently involve high levels of risk, despite the promise of significant returns (Hutahuruk, 2022).

An understanding of market dynamics and various macroeconomic factors is crucial for investors in making prudent investment decisions. Investors must pay attention to broader economic conditions, such as inflation, interest rates, and specific industry trends that can affect stock prices in the capital market (Giyartiningrum et al., 2023). This issue has become even more relevant considering that, although the COVID-19 pandemic has ended and the global economy has begun to recover, an interesting phenomenon occurred with the decline of the composite stock price index (IHSG) in several mining companies listed on the Indonesia Stock Exchange (IDX) during 2022–2023, despite this sector being one of the key pillars of the economy. This phenomenon can be seen in Figure 1 below.

Picture 1. Stock price.



Source: IDX, Processed Data (2024)

Based on Figure 1, it can be observed that ten mining companies listed on the IDX experienced a decline in stock prices throughout 2022–2023. These companies include ADMR, ADRO, TOBA, ITMG, INDY, BUMI, HRUM, PTBA, BYAN, and UNTR. Significant declines occurred in several of them, such as ADMR, which fell from 1,695 to 1,360, and ADRO, which dropped from 3,800 to 2,380. TOBA also experienced a sharp decrease from 610 to 304. Similarly, ITMG declined from 39,300 to 25,650, and INDY fell from 2,720 to 1,435. A comparable drop occurred in BUMI (from 161 to 85), HRUM (from 1,620 to 1,335), PTBA (from 3,690 to 2,440), BYAN (from 21,000 to 19,900), and UNTR (from 26,075 to 22,625). This decline in stock prices reflects the challenges faced by the mining sector, despite signs of global economic recovery post-pandemic.

Moreover, the decline in stock prices may indicate that investors did not receive optimal stock returns from this sector. Stock prices and stock returns are closely related—higher stock prices will automatically increase stock returns received by investors (Riri Qudrotul A'iniyah & Endang Taufiqurahman, 2021). This phenomenon indicates that realized stock returns fell below investor expectations. Such a situation undoubtedly affects investor behavior and the types of investments they prefer in the capital market. Considering that the main objective of investors when investing in public companies is to maximize returns, it is crucial for companies to enhance their value in order to improve stock sales in the capital market.

Stock return assessment is not solely dependent on price movements in the market but is also influenced by various factors reflecting both internal and external company conditions. Generally, these factors can be divided into two main categories: fundamental aspects and other aspects beyond fundamentals (B. Sembiring & Budi Yanti, 2023). Fundamental aspects include elements directly related to company performance, such as Corporate Social Responsibility (CSR) disclosure, financial performance, and firm size.

In recent years, companies have increasingly recognized the importance of Corporate Social Responsibility (CSR) disclosure, not only as a moral obligation but also as a business strategy to enhance firm value. CSR disclosure is no longer viewed merely as symbolic activity,

but as a crucial communication tool to demonstrate corporate commitment to sustainability, ethics, and social responsibility to the public and stakeholders. The higher the level of CSR disclosure, the greater the expectation that the company has sound and responsible governance.

Legitimacy theory provides a relevant theoretical framework for understanding the importance of CSR disclosure. This theory states that companies not only aim to maximize profits but also strive to obtain legitimacy or social recognition for their activities and performance (Winata, 2023). By increasing CSR disclosure, companies seek to strengthen their position in the eyes of the public and investors, signaling that they have long-term sustainable strategies.

Several studies support this view, showing that CSR disclosure has a positive influence on stock returns. Research conducted by Winata (2023), Wardhani et al. (2019), and Li et al. (2022) demonstrated that the more extensively companies disclose their social responsibility, the greater the investor interest in trading their stocks. This interest ultimately drives increased stock trading activity, which may result in higher stock returns for investors. These findings indicate that CSR disclosure can enhance market trust and provide positive signals regarding a company's future prospects.

However, these findings are not universally consistent. Research by Nawangsari et al. (2021) showed differing results, revealing that CSR disclosure does not have a positive effect on stock returns. These differences suggest that the relationship between CSR and stock returns remains a subject of debate and is influenced by numerous other factors.

Another fundamental aspect influencing stock returns is financial performance, which is reflected in a company's financial statements. Financial statements serve as one of the main sources of information expected to assist users in making financial and economic decisions (L. Sari et al., 2021). Transparent and open disclosure of financial reports is crucial for investors in evaluating companies. This aligns with signaling theory, which posits that companies with strong signals can be observed through their financial information disclosure. Non-accounting information may also include company-related data concerning business continuity (Winata, 2023). Companies with strong financial performance send positive signals to the market, indicating their capacity to survive and grow amid business competition (Simorangkir, 2019). Financial performance, measured by ratios such as Return on Assets (ROA), Return on Equity (ROE), and Debt to Equity Ratio (DER), is a key indicator used by investors to assess a company's financial health.

Return on Assets (ROA) is one of the critical indicators in profitability ratio analysis, used to measure how effectively a company utilizes its assets to generate profits. ROA is calculated by comparing net income to total assets, reflecting management efficiency in managing company resources. A higher ROA indicates greater profitability from each unit of assets utilized (Simorangkir, 2019).

Several studies have shown that ROA has a positive influence on stock returns. Research conducted by Simorangkir (2019), Melinda & Destriana (2020), and Suryo & Yasa (2021) supports this perspective. Increased ROA reflects improved financial performance, which attracts investors and ultimately results in higher stock returns. This aligns with signaling theory, which argues that financial information such as ROA serves as an important signal for external parties, including investors and potential investors. Both increases and decreases in ROA provide signals that investors can use as a basis for stock investment decisions (Suryo & Yasa, 2021).

Not all studies, however, reach the same conclusions. Research by Alfian & Indah (2023) revealed that ROA does not significantly influence stock returns. These differences suggest that the impact of ROA on stock returns may vary depending on industry conditions, company characteristics, and investor perceptions of financial information.

In addition to ROA, another important ratio in measuring financial performance is Return on Equity (ROE). ROE measures a company's efficiency in generating profits from shareholder equity (Suryo & Yasa, 2021). It reflects the extent to which a company can generate returns on shareholder investments. A higher ROE indicates greater effectiveness in managing equity to produce profits, thereby reflecting the company's profitability strength from the shareholders' perspective.

Several studies, including those by Simorangkir (2019), Suryo & Yasa (2021), and Mansyur & Nuemuin (2022), have shown that ROE has a positive relationship with stock returns. A higher ROE signifies better company performance, which aligns with signaling theory. A high ROE is considered a signal of management success in effectively managing

shareholder equity, making it an important consideration for investors in making investment decisions.

Nonetheless, some studies show inconsistency in this relationship. For instance, Hutahuruk (2022) found that ROE does not significantly affect stock returns. These contrasting findings may result from other influencing factors.

The next ratio used to measure financial performance is the Debt to Equity Ratio (DER), which measures corporate leverage by comparing total debt to shareholder equity. A higher DER reflects greater financial risk, whereas a lower DER indicates stronger capacity to meet obligations. In signaling theory, DER serves as an important signal for investors. A high DER sends a negative signal of financial risk, while a low DER signals financial strength and prudent management. Research by Sidik et al. (2023) shows that DER negatively affects stock returns, suggesting that higher DER reduces stock returns. Similar results were found by Djajadi & Yasa (2018), Hutahuruk (2022), and Digdowiseiso (2023), all of whom concluded that an overreliance on debt reduces investor confidence and stock returns.

Contradictory findings were reported by Melinda & Destriana (2020) and Nawangsari et al. (2021), who found that DER positively affects stock returns. These results suggest that in certain contexts, high debt may be perceived as an aggressive expansion strategy capable of generating significant growth, thereby attracting investors. Such inconsistencies indicate that the relationship between DER and stock returns is contextual and influenced by investor perceptions of debt usage.

Another equally important aspect is firm size. Firm size reflects the scale of a company as indicated by total assets, sales, average sales, and average total assets (Yanti & Hanjani, 2024). Larger firms generally have greater capacity to bear risks associated with operational challenges.

Research by Arfah (2022) and Yanti & Hanjani (2024) shows that firm size positively influences stock returns. This is consistent with signaling theory, which suggests that large firms tend to disclose more transparent and detailed annual performance information than smaller firms. As a result, investors prefer large firms, driving up stock prices and stock returns (Yanti & Hanjani, 2024).

However, other studies provide different findings. Research by Nadhiyah & Alliyah (2023) found that firm size has a significant negative effect on stock returns, while Gaib et al. (2022) concluded that firm size has no effect. These differences indicate that the relationship between firm size and stock returns is also contextual and influenced by other factors.

Based on the inconsistencies in previous research findings, this study aims to re-examine these relationships by adding several variables, modifying the research setting, and extending the research period to better capture the factors influencing stock returns.

2. METHOD

This research employs a quantitative approach based on the positivist paradigm, where the data used consist of numerical values processed through statistical analysis. Quantitative research was chosen because it enables the systematic testing of hypotheses and produces empirical conclusions that can be generalized. The focus of this study is to analyze the effect of Corporate Social Responsibility (CSR), Return on Assets (ROA), Return on Equity (ROE), Debt to Equity Ratio (DER), and firm size on stock returns in mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2022–2024 (Sugiyono, 2018).

This research uses secondary data in the form of annual reports and sustainability reports of mining companies obtained from the official IDX website. The research population includes all mining companies listed during the period, while the sample is selected using purposive sampling based on the completeness of financial statements and CSR disclosure in accordance with GRI standards. Stock return is measured through capital gain and dividend yield, while CSR is measured using the GRI disclosure index. Financial variables such as ROA, ROE, DER, and firm size are proxied by total assets to represent financial performance that may influence stock returns (Ghozali, 2018; Mansyur & Nuemuin, 2022).

The analytical technique used is multiple linear regression with the assistance of SPSS software. Prior to hypothesis testing, classical assumption tests were conducted, including normality, autocorrelation, multicollinearity, and heteroskedasticity tests to ensure model validity. Furthermore, an F-test was conducted to assess model feasibility, a t-test to examine the partial effect of independent variables, and the coefficient of determination (R^2) to measure the model's ability to explain variations in stock returns. Through this approach, the research is expected to provide comprehensive empirical evidence regarding the effect of

CSR, financial performance, and firm size on stock returns in the mining sector (Ghozali, 2016; Saputra & Darsono, 2015).

3. RESULTS AND DISCUSSION

Research Data Analysis Results

Classical Assumption Test Results

Regression analysis requires the fulfillment of several basic assumptions to ensure that the constructed model functions optimally as an unbiased and efficient prediction tool. Therefore, prior to conducting regression estimation, a series of classical assumption tests were performed to ensure that the model meets the criteria of the best estimator under the Ordinary Least Square (OLS) approach, namely BLUE (Best Linear Unbiased Estimator). The classical assumption tests carried out in this study include: (1) normality test, (2) autocorrelation test, (3) multicollinearity test, and (4) heteroskedasticity test. To enhance model validity and address potential violations of the normality and heteroskedasticity assumptions, the data for variables X1 and X3 were transformed using natural logarithms (ln). This transformation aims to improve data distribution, stabilize variance, and align the data distribution pattern with classical regression assumptions. The results of the classical assumption tests are presented in the following section.

Normality Test

The normality test aims to examine whether the regression model's disturbance or residual variables have a normal distribution. A good regression model is one that has a normal or near-normal distribution. The normality test results of this study are presented in Table 1 below.

Table 1. Normality Test Results.

	Unstandardized Residual
N	56
Test Statistics	0.103
Asymp. Sig. (2-tailed)	0.200

Source: Processed data, 2025

Based on the Kolmogorov-Smirnov normality test output in Table 1, the Asymp. Sig. (2-tailed) value is 0.200, which exceeds the significance level (α) of 0.05. This indicates that there is no significant difference between the residual distribution of the study and the normal distribution. Thus, it can be concluded that the residual data in the regression model are normally distributed, fulfilling the normality assumption.

Autocorrelation Test

The autocorrelation test aims to detect the presence of a relationship or correlation between residuals in one observation and residuals in a previous observation within a regression model. The presence of autocorrelation indicates that the regression model contains bias, which reduces the accuracy or reliability of the prediction results (Utama, 2016:105). In this study, autocorrelation was tested using the Durbin-Watson test, with the results presented in Table 2.

Table 2. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	0.535	0.286	0.215	0.35063	1,860

Source: Processed data, 2025

Based on the results, the Durbin-Watson (DW) value obtained is 1.860. The criterion fulfilled is that the DW value lies between the upper bound (dU) and $(4 - dU)$, which indicates the absence of autocorrelation, namely $dU = 1.767 < 1.860 < (4 - dU) = 2.233$.

Multicollinearity Test

The multicollinearity test is conducted to detect the presence of a strong linear relationship among independent variables in the regression model. Multicollinearity occurs when two or more independent variables are highly correlated, which may disrupt the

accuracy of parameter estimation and lead to biased interpretation. This condition can result in unstable regression coefficients, large standard errors, and reduced statistical significance of the independent variables. The results of the multicollinearity test in this study are presented in Table 3.

Table 3. Multicollinearity Test Results.

Equality	Model	Collinearity Statistics		
			Tolerance	VIF
Sub-structural 1	Corporate	Social	0.666	1,502
	Responsibility			
	Return on Assets		0.332	3,014
	Return on Equity		0.404	2,477
	Debt to Equity Ratio		0.705	1,419
	Company Size		0.626	1,597

Source: Processed data, 2025

Based on Table 3, it can be seen that none of the independent variables have a tolerance value less than 0.10 and none have a VIF value greater than 10. Therefore, the regression model is free from multicollinearity.

Heteroscedasticity Test

The heteroskedasticity test aims to identify whether there is an inequality of residual variance across observations in a regression model. Such inconsistency in variance may result in a violation of the fundamental regression assumptions, thereby affecting the validity of the model. Detection of heteroskedasticity is generally carried out through two approaches, namely visual analysis using scatter plots and statistical testing. In this study, the heteroskedasticity test was performed using the Glejser method, and the results are presented in Table 4 below.

Table 4. Heteroscedasticity Test Results.

Equality	Variables		t	Sig.
Sub-structural 1	Corporate	Social	-0.193	0.848
	Responsibility			
	Return on Assets		-0.014	0.989
	Return on Equity		-0.370	0.713
	Debt to Equity Ratio		-0.036	0.972
	Company Size		1,066	0.292

Source: Processed data, 2025

Based on Table 4, it is shown that each variable has a significance value greater than 5% (0.05) using the Glejser test. This indicates that the independent variables used in this study do not significantly affect the dependent variable, namely the absolute residual values. Therefore, this study is free from heteroskedasticity symptoms.

Regression Analysis Results

Multiple linear regression analysis was employed to identify and describe the influence and direction of the relationship between independent variables and the dependent variable. In this study, the regression model included five independent variables Corporate Social Responsibility (CSR), Return on Assets (ROA), Return on Equity (ROE), Debt to Equity Ratio (DER), and Firm Size and one dependent variable, namely Stock Return. The results of the regression analysis using SPSS are presented in Table 5 below.

Table 5. Regression Analysis Results.

Model		Unstandardized		Standardized	T	Sig.	
		Coefficients		Coefficients			
		B	Std. Error	Beta			
1	(Constant)	1,918	1,327		1,446	0.155	
	Corporate						
	Responsibility	Social	0.364	0.224	0.238	1,627	0.110
	Return on Assets		2,565	0.768	0.693	3,342	0.002
	Return on Equity		-0.061	0.058	-0.197	-1,049	0.299
	Debt to Equity Ratio		0.126	0.043	0.421	2,955	0.005

Company Size	-0.075	0.043	-0.263	-1,743	0.087
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a. Dependent Variable: Stock Returns
Source: Processed data, 2025

The values of the constant (α) and regression coefficients (B1–B5) based on SPSS version 27.0 for Windows are:

- a = 1.918
- b1 = 0.364
- b2 = 2,565
- b3 = -0.061
- b4 = 0.126
- b5 = -0.075

Accordingly, the multiple linear regression equation is formulated as follows:

$$Y = 1,918 + 0,364X_1 + 2,565X_2 - 0,061X_3 + 0,126X_4 - 0,075X_5 + e$$

The constant value of 1.918 with a significance level of 0.155 (> 0.05) indicates that, statistically, the constant is not significant. However, theoretically, it implies that if all independent variables are equal to zero, the predicted stock return is 1.918. This serves as the baseline return when the effects of other variables are not considered.

The regression coefficient for CSR is 0.364 with a significance level of 0.110 (> 0.05), indicating that CSR does not significantly influence stock returns at the 5% level. However, the positive direction suggests that each unit increase in CSR disclosure tends to raise stock returns by 0.364 units, assuming other variables remain constant. Although statistically insignificant, this implies that companies with higher CSR disclosure tend to exhibit better stock returns.

ROA has a regression coefficient of 2.565 with a significance level of 0.002 (< 0.05), meaning that ROA has a positive and significant effect on stock returns. This shows that the higher the profitability based on total assets, the greater the stock returns generated. Quantitatively, each one-unit increase in ROA raises stock returns by 2.565 units. With a standardized beta of 0.693, ROA is the most dominant variable influencing stock returns compared to other variables.

The regression coefficient for ROE is -0.061 with a significance level of 0.299 (> 0.05), indicating that ROE does not significantly influence stock returns. The negative coefficient suggests that, statistically, an increase in ROE tends to reduce stock returns by 0.061 units. Nevertheless, since the effect is not statistically significant, it cannot be generalized within this model.

The regression coefficient for DER is 0.126 with a significance level of 0.005 (< 0.05), indicating that DER has a positive and significant effect on stock returns. This means that the higher the debt-to-equity ratio, the higher the stock returns of the company. Numerically, a one-unit increase in DER raises stock returns by 0.126 units. The standardized beta value of 0.421 shows that DER is the second most dominant variable after ROA in influencing stock returns.

Firm Size has a regression coefficient of -0.075 with a significance level of 0.087 (> 0.05), suggesting that Firm Size does not significantly affect stock returns at the 5% level. Although the coefficient is negative, meaning larger firms tend to generate lower stock returns, the effect is not statistically significant within this model.

Model Feasibility Test (F-Test)

The model feasibility test, also known as the F-test, is an important stage in regression analysis aimed at evaluating whether the regression model constructed is statistically feasible to use. This test is conducted to examine simultaneous significance, namely whether all independent variables together have a significant effect on the dependent variable. A model is considered statistically feasible if the significance value (Sig.) of the F-test is below the threshold of 0.05. The model feasibility test (F-test) can be seen in Table 6 below.

Table 6. Results of Model Feasibility Test (F Test)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	2,464	5	0.493	4,009	0.004b
Residual	6,147	50	0.123		

Total	8,611	55
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Source: Processed data, 2025

Based on Table 6 above, it is known that the F value is 4.009 with a significance level of $0.004 < 0.05$. This indicates that the regression model used is feasible, so it can be continued for partial testing.

Coefficient of Determination Test (R²)

The coefficient of determination test (R-squared) is used to measure the extent to which the independent variables are able to explain the variation in the dependent variable in a regression model. The higher the R-squared value, particularly if it approaches one, the stronger the model's explanatory power toward the dependent variable. The results of the coefficient of determination (R²) test in this study are presented in Table 7.

Table 7. Results of R² Test

R	R Square	Adjusted R Square	Standard Error of the Estimate
0.535a	0.286	0.215	0.35063

Source: Processed data, 2025

The results in Table 7 show that the coefficient of determination (R²) is 0.215. The formula for calculating determination is $D = R^2 \times 100$ percent, resulting in $D = 0.286 \times 100$ percent = 21.5 percent. Meanwhile, the remaining portion, amounting to 100 percent – 21.5 percent = 78.5 percent, is influenced by other variables not discussed in this study.

Hypothesis Test (T-Test)

The partial hypothesis test (t-test) is used to measure the effect of each independent variable on the dependent variable individually. This test aims to determine whether each independent variable provides a significant contribution in explaining the variation of the dependent variable. If the significance value (Sig.) ≤ 0.05 , then the hypothesis is accepted, and the independent variable is stated to have a significant effect on the dependent variable. Conversely, if the significance value > 0.05 , then the hypothesis is rejected, which means the independent variable does not have a significant effect. The results of the t-test in this study are presented in Table 8.

Table 8. Results of Hypothesis Test (t-Test)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,918	1,327		1,446	0.155
Corporate Social Responsibility	0.364	0.224	0.238	1,627	0.110
Return on Assets	2,565	0.768	0.693	3,342	0.002
Return on Equity	-0.061	0.058	-0.197	-1,049	0.299
Debt to Equity Ratio	0.126	0.043	0.421	2,955	0.005
Company Size	-0.075	0.043	-0.263	-1,743	0.087

Source: Processed data, 2025

Based on Table 8, the results of the t-test between each independent variable and the dependent variable can be explained as follows. **(1)** The t-test results show that the Corporate Social Responsibility variable has a positive regression coefficient with a significance value of $0.110 > 0.05$. This means that Corporate Social Responsibility has a positive but not significant effect on stock return, therefore H1 is rejected. **(2)** The t-test results show that the Return on Assets variable has a positive regression coefficient with a significance value of $0.002 < 0.05$. This means that Return on Assets has a positive and significant effect on stock return, therefore H2 is accepted. **(3)** The t-test results show that the Return on Equity variable has a negative regression coefficient with a significance value of $0.299 > 0.05$. This means that Return on Equity has a negative but not significant effect on stock return, therefore H3 is rejected. **(4)** The t-test results show that the Debt to Equity Ratio variable has a positive regression coefficient with a significance value of $0.005 < 0.05$. This means that Debt to Equity Ratio has a positive and significant effect on stock return, therefore H4 is rejected. **(5)**

The t-test results show that the Firm Size variable has a negative regression coefficient with a significance value of $0.087 > 0.05$. This means that Firm Size has a negative but not significant effect on stock return, therefore H5 is rejected.

Discussion of Research Results

This section presents an explanation of the findings obtained from the hypothesis testing process in the study. Based on the results of data analysis, the hypotheses formulated earlier gained empirical support and were statistically acceptable. This means that the findings of this study are consistent with the initial expectations stated in the hypotheses. To provide further clarity, the results of hypothesis testing will be elaborated in more detail in the subsequent sections.

The Effect of Corporate Social Responsibility Disclosure on Stock Returns

The regression analysis shows that the Corporate Social Responsibility (CSR) variable has a regression coefficient value of 0.364 with a significance value of 0.110 (> 0.05). Although the positive relationship aligns with the formulated hypothesis (H1), the significance value exceeding the 5% threshold indicates that the effect is not statistically significant. Therefore, hypothesis H1, which states that “CSR disclosure has a positive effect on stock returns,” cannot be accepted or is not supported by the empirical data in this study.

Justification for this influence can also be reinforced through the results of descriptive statistical analysis. The average CSR disclosure is 0.7967 with a range between 0.36 and 1.00 and a standard deviation of 0.17977. This relatively high average indicates that most companies have implemented and disclosed CSR properly. However, because the variation among companies is relatively small, CSR does not become a major differentiating factor that can affect stock returns. Investors are likely to perceive CSR disclosure as a common practice among companies, and thus it no longer serves as a primary consideration in investment decision-making.

These findings are consistent with research conducted by Nawangsari et al. (2021), Sari & Setyarini (2024), and Arofah et al. (2025), which found that CSR does not significantly affect stock returns. The studies suggest that investors in the Indonesian capital market still prioritize financial information over non-financial information such as CSR in making investment decisions. Moreover, the insignificance of CSR's influence may also stem from the quality of CSR disclosure, which is not yet optimal or remains symbolic (window dressing), thus failing to significantly shape investors' perceptions.

This study's findings do not fully support legitimacy theory and signaling theory, both of which assume that CSR disclosure is conducted to gain legitimacy and serve as a positive signal to investors. In this context, CSR is not strong enough to provide a signal that influences stock return movements, possibly due to the relatively uniform CSR disclosures and the perception that CSR is not a key factor in determining investment value.

The Effect of Return on Assets on Stock Returns

Based on the results of multiple linear regression analysis presented in the Coefficients Table, the significance (Sig.) value for the Return on Assets (ROA) variable is 0.002, which is smaller than the 0.05 significance level. This indicates that ROA significantly affects stock returns. Furthermore, the regression coefficient value for ROA is 2.565, with a t-value of 3.342, which is greater than the t-table value at the 5% significance level. This positive coefficient shows that each increase in ROA will enhance the company's stock return. Thus, the second hypothesis (H2), which states that “Return on Assets has a positive effect on stock returns,” is accepted.

This result is reinforced by descriptive statistical analysis. The ROA variable has an average value of 0.0929, with a range from -0.04 to 0.45 and a standard deviation of 0.10692. The relatively low average indicates that most companies in the sample only generate small net profits compared to their total assets. However, the considerable variation in ROA values (ranging from negative to nearly 0.5) indicates differences in financial performance among companies. Companies with higher ROA are able to manage their assets more efficiently to generate profits, thus providing a positive signal to investors and driving an increase in stock returns.

Theoretically, this finding is supported by signaling theory, which states that companies can send positive signals to investors through financial indicators such as ROA. A high ROA

signifies that a company is able to utilize its assets efficiently to generate profit. This information is considered a positive signal by the market, as it reflects good financial performance and promising company prospects. Investors tend to respond to this signal by purchasing stocks, which ultimately drives up stock prices and returns. This finding is also consistent with prior studies. Research by Simorangkir (2019) on mining sector companies listed on the Indonesia Stock Exchange demonstrated that ROA has a positive effect on stock returns. Research by Melinda & Destriana (2020) on non-financial companies also found similar results, indicating that ROA has a significant and positive effect on stock returns. These results reinforce the conclusion that a company's efficiency in generating profits through its assets is an important indicator considered by investors in making investment decisions. Thus, the findings of this study strengthen the view that Return on Assets is a relevant financial indicator with a positive impact on stock returns, both theoretically and empirically. Companies with high ROA are considered more efficient in managing their assets to generate profits, making them more attractive to investors and potentially providing higher returns for shareholders.

The Effect of Return on Equity on Stock Returns

Based on the results of multiple linear regression analysis in the Coefficients Table, the significance (Sig.) value for the Return on Equity (ROE) variable is 0.299. This value is greater than the 0.05 significance threshold, indicating that statistically, ROE does not significantly affect stock returns in this study. Additionally, the regression coefficient (B) value is -0.061, and the t-value is -1.049, which is smaller than the t-table value at the 5% significance level. This further confirms that the relationship between ROE and stock returns is not significant. Therefore, the third hypothesis (H3), which states that "Return on Equity has a positive effect on stock returns," cannot be accepted and is rejected in this study's context.

This result is supported by descriptive statistical analysis. The ROE variable in this study has an average value of 0.1443, with a wide range from -0.34 to 0.73, and a standard deviation of 0.17323. The relatively low average, even close to zero, shows that most companies in the sample have not been able to generate high profits for shareholders. Additionally, the presence of negative ROE values in some companies indicates poor financial performance, which weakens investors' perceptions of these firms.

From the perspective of signaling theory, a high ROE should provide a positive signal to investors because it reflects the company's ability to generate profits from its equity. However, in this study, the low average ROE and the wide variation among companies make this signal inconsistent. Investors may assess that ROE information is not strong enough to serve as a basis for investment decisions, resulting in an insignificant statistical relationship between ROE and stock returns.

The findings of this study are consistent with prior research by Hutahuruk (2022), which reported that ROE negatively affects stock returns. This insignificant result indicates that although ROE is theoretically considered an important indicator for investors, in the context of the companies in this sample, investors may prioritize other indicators when making investment decisions. Investors might perceive that net income generated from equity does not necessarily reflect overall capital management efficiency, or that other external factors such as market conditions, investor sentiment, or fundamental factors play a more dominant role in influencing stock returns.

The Effect of Debt to Equity Ratio on Stock Returns

Based on the results of the multiple linear regression analysis, the Debt to Equity Ratio (DER) variable has a significance value of 0.005, which is smaller than the significance level of 0.05. This indicates that DER has a significant effect on stock returns. The regression coefficient of 0.126 and the t-statistic of 2.955, which is greater than the t-table value of 1.99656, further demonstrate that the relationship between DER and stock returns is positive. In other words, the higher the DER, the higher the company's stock return. These findings imply that Hypothesis H4, which posited a negative effect of DER on stock returns, is not supported, as the relationship identified is instead positive and significant.

This result can be further explained through descriptive statistical analysis. The DER variable has an average value of 1.0797, with a range between 0.04 and 7.20, and a standard deviation of 1.31668. The relatively low mean indicates that most companies in the sample maintain a manageable level of leverage. However, the large variation across companies suggests that some firms utilize substantial debt to support operations and expansion. This highlights that although certain companies operate with a high DER, debt is still managed productively and does not generate excessive risk that might undermine investor confidence.

The characteristics of mining companies also help explain the positive relationship between DER and stock returns. The mining sector is known as a capital-intensive industry that requires significant investment in heavy equipment, infrastructure, and exploration costs. The substantial funding needs often lead mining companies to rely on debt as a source of financing. As long as such debt is managed effectively and allocated to productive projects, an increase in DER may provide greater opportunities for future profit growth. For investors, this condition signals that the company is willing to expand by leveraging debt, thereby suggesting stronger performance prospects. This is consistent with the fact that the high volatility of commodity prices in the mining sector often offers substantial return potential, making investors more tolerant of leverage risk compared to other industries.

These findings are consistent with the studies conducted by Melinda & Destriana (2020), Nawangsari et al. (2021), and Linda & Destriana (2019), which similarly demonstrated that DER has a positive effect on stock returns. Thus, the results of this study indicate that the use of leverage within a healthy range is not perceived as a risk, but rather as a financing strategy capable of creating added value for the firm. This also illustrates that investor behavior in the sample is more responsive to signals of corporate optimism in managing debt, rather than viewing DER solely as an indicator of financial risk.

The Effect of Firm Size on Stock Returns

Based on the results of multiple linear regression analysis, the Firm Size variable has a significance value of 0.087, which is greater than the 0.05 significance threshold. This indicates that Firm Size does not significantly affect stock returns. Moreover, the regression coefficient value of -0.075 and the t-value of -1.743, which is smaller than the t-table value of 1.99656, indicate that the relationship between firm size and stock returns is negative, although not statistically significant. Thus, hypothesis H5, which states that "Firm Size has a positive effect on stock returns," is not supported in this study.

The Firm Size variable, proxied by the natural logarithm of total assets, has an average value of 29.34 with a range between 27.13 and 32.25, and a standard deviation of 1.26828. The relatively high average with small variation shows that most companies in the research sample are large firms with significant total assets. This condition makes firm size no longer a strong differentiating factor influencing stock returns, since most firms are already categorized as large, and thus investors do not perceive size as a competitive advantage.

From the perspective of signaling theory, firm size should be a positive signal to investors because it reflects stability, resilience, and the ability to withstand business risks. However, in this study, such a signal was not significantly responded to by investors. This may be due to the fact that large firms do not always provide high stock returns, particularly if financial performance or asset management efficiency is not optimal. In other words, large size does not automatically guarantee profitability or stock value appreciation. Investors instead focus more on other performance indicators, such as profitability (ROA) or capital structure (DER), which are perceived as more informative than firm size alone.

These findings are consistent with previous studies conducted by Gaib et al. (2022) and Nadhiyah & Alliyah (2023). Investors do not only consider firm size but also evaluate other aspects such as operational efficiency, risk management, and capital structure. Large firms are not necessarily efficient or profitable if not managed properly. Furthermore, large firm size may also generate risks of bureaucracy, inefficiency, or difficulties in adapting to market changes, which can ultimately have a negative impact on stock returns. Therefore, although theory and some prior studies assume that firm size positively affects stock returns, in this study, firm size does not show a significant effect. This indicates that the size of a company is not always a key determinant for investors in assessing stock return prospects, particularly in the context and period examined.

4. CONCLUSION

Based on the analysis and discussion presented, several conclusions can be drawn. Corporate Social Responsibility (CSR) has no significant effect on stock returns, indicating that CSR disclosure has not yet become a major consideration for investors in the mining sector, possibly due to the relatively low average level of CSR disclosure among mining companies. Return on Assets (ROA) has a positive effect on stock returns, suggesting that the efficiency of asset utilization in generating profits serves as a positive signal for investors when assessing the profit potential of mining companies' shares. In contrast, Return on Equity

(ROE) has no significant effect on stock returns, implying that equity-based profitability has not become a primary indicator for investors and may also reflect inefficiency in the use of equity capital or unmet market expectations. The Debt to Equity Ratio (DER) shows a positive effect on stock returns, which highlights that, in line with the characteristics of mining companies requiring large assets, debt financing is perceived positively by investors as long as it is well managed and allocated for productive activities. Lastly, Firm Size has no significant effect on stock returns, indicating that company size is not the main factor in investment decisions, as investors tend to focus more on financial performance and prevailing market conditions.

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