

Factors Affecting Stock Returns with Corporate Social Responsibility as a Moderating Variable in Real Estate Property and Building Construction Companies Listed on the Indonesian Stock Exchange

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ABSTRACT

This research aims to determine and analyze the influence of Return on Assets, cash flow from funding activities, the age of company, leverage, and the proportion of independent board of commissioners simultaneously and partially on stock returns in Property, Real Estate, and Building Construction companies listed on the Indonesia Stock Exchange. CSR Disclosure as a moderating variable strengthens or weakens the relationship between Return on Assets, Cash Flow from funding activities, Leverage, the company age, and the proportion of independent board of commissioners with stock returns in Property, Real Estate, and Building Construction companies listed on the Indonesia Stock Exchange. The population of this research is 51 Property, Real Estate, and Building Construction companies listed on the Indonesia Stock Exchange from 2018 - 2022. The sample was selected using purposive sampling, totaling 35 companies with 155 analysis units. Data were processed using a panel data regression as the analysis model for the first hypothesis and residual testing for moderating variables using STATA. The results of this research prove the first hypothesis that simultaneous and partial return on assets, cash flow from funding activities, the age of company leverage, and the proportion of independent boards of commissioners have a significant effect on stock returns. The results of the moderation test research state that CSR Disclosure does not moderate the relationship between return on

assets, cash flow from funding activities, leverage, the company age, and the proportion of independent board of commissioners with stock returns

Keywords: *return on assets, cash flow from funding activities, leverage, the company age and proportion of board of commissioners, CSR disclosure, and stock returns.*

INTRODUCTION

In Indonesia, the property and real estate business is a business sector that is growing rapidly. The development of the business world in Indonesia is relatively rapid because of the large number of new companies appearing in business competition. The high growth of Indonesia's property and real estate sector can be seen from the increasingly busy construction of housing complexes, apartments, skyscraper condominiums, offices, shopping centres (malls and trade centres), and other commercial property areas.

The development of the capital market must be distinct from the role of investors who carry out transactions in the capital market. Investors need to adequately assess the company before making purchases. Therefore, companies need to increase investor interest in buying company shares.

Fluctuating stock returns can be seen from data on the Indonesian Stock Exchange (www.idx.co.id), using closing stock prices. Many companies, especially those operating in the property, real estate, and building construction sectors, experienced an increase in stock returns in 2020, for example, PT Adhi Karya (Persero) Tbk, which rose by 30.64%. PT Fortune Mate Indonesia Tbk rose by 42.55%. PT Lippo Cikarang Tbk rose by 39.90%. PT Metropolitan Kentjana Tbk rose by 72.84%. It does not stop there. In the following year, namely 2021, these companies experienced a drastic decline in stock returns. For example, PT Adhi Karya (Persero) Tbk fell by -41.69%, PT Fortune Mate Indonesia Tbk fell by -43.28%, and PT Lippo Cikarang Tbk fell by -15.14%. PT Metropolitan Kentjana Tbk fell by -10.98%. The main goal of investors is to use the funds they invest in the capital market to get a return from their investment results (Alexander & Destriana, 2013). To increase investor interest, companies need to offer a rate of return that tends to be higher. Return refers to the financial gain on investment results (Acheampong et al., 2014). In this case, it can be concluded that stock return is the expected rate of return on shares on investments made in shares or several groups of shares through a portfolio. To consider the returns they can receive, investors need the role of accounting information in analyzing the level of risk and the level of return received on each investment, especially in every investment planning activity. For example, it could be a company's financial report. It can be something that helps investors in making estimates of future results on the investments they will make. Investors can assess a company's financial performance based on financial reports, one of which is through financial ratios. Financial performance can also be seen from other angles, such as the company's age, residual profit, and profit. The company's financial performance can influence the company's risk and return, influencing investors' decisions to buy shares.

In this research, several factors are thought to influence stock returns, namely profitability, cash flow, leverage, the company's age, and the proportion of the board of commissioners, as well as disclosure of social and environmental responsibility (CSR), which will be used as moderating variables.

Based on the description above, fluctuating stock returns in Property, Real Estate, and Building Construction companies listed on the Indonesia Stock Exchange are related to CSR Disclosure and other factors. This phenomenon is the research's idea: "Factors influencing stock returns with CSR Disclosure as a moderating variable in property, real estate and building construction companies on the IDX."

LITERATURE REVIEW

Stock Return

Stock return is the expected rate of return on shares invested in shares or several groups of shares through a portfolio (Acheampong et al., 2014). Stock returns themselves are the results obtained by a company from investment activities, which can be divided into two types of returns, namely realized returns (returns that occur or can also be called actual returns) and expected returns (returns expected by investors) (Sudarsono & Sudiyanto, 2016).

Stock returns are the results obtained from investments. A company hopes to accept returns in financial assets through stock returns. A financial asset shows an investor's willingness to provide a certain amount of funds to obtain a flow of funds in the future as compensation for the time factor during which the funds are invested and the risks borne. In this way, investors risk a current price value for an expected future value. In investment management, return or profit level is the reward obtained from the investment.

An investor will generally pay more attention to the large profit figures obtained by the company. The higher the amount of profit that can be obtained

indicates that there is a signal that has a high rate of return. So, significant changes in profit tend to impact the return investors may receive significantly.

Harjono and Sunardi (2010:15) said that, in general, the level of profit (return) on investments in securities in the capital market can be written in a mathematical equation, namely:

$$\text{Stock Return} = \frac{Pt - Pt-1}{Pt-1}$$

Note:

Pt: Share price at the beginning of period t

Pt-1: Share price at the end of period t-1

Return On Assets (ROA)

Singhvi and Desai (1997) stated that economic profitability and high profit margins would encourage managers to provide more detailed information because they want to convince investors of the company's profitability and promote compensation management. Sudarsono and Sudiyanto (2016) revealed that Return on Assets (ROA) is a profitability ratio that can be used to measure the effectiveness of a company's activities in generating profits by utilizing the assets it owns.

The relationship between ROA and stock returns can be seen as follows: The higher the company's ROA value, the better it will use its assets to produce maximum profits to identify that it can provide higher stock returns for investors. ROA measures a company's ability to utilize its assets to earn profits. A positive ROA shows that from the total assets used to operate, the company can provide profits for the company. Companies that generate profits tend to make more complete disclosures. It is because management wants to ensure the company is in a solid financial position and performs well. The higher the ROA, the higher the level of financial statement disclosure. It is what makes investors' reactions tend to look at ROA to make decisions about buying or selling shares. The formula used to measure profitability

(ROA):

$$\text{ROA} = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Cash Flow

Cash flow is an essential part of a company. The company's continuity will only stop with cash flow. Because a company without cash flow means the company is not running.

In this research, cash flow data in financing activities is used. Funding cash flow is everything related to efforts to support company operations by providing funding needs from various sources and their consequences. Direct or indirect methods do not influence cash flow reporting from financing activities. If the cash inflow from financing activities exceeds the cash outflow, the net cash flow generated by the financing activity will be notified. Conversely, if the cash inflow from financing activities is smaller than the cash outflow, then the net cash flow used in financing activities is reported (Hery, 2011, p. 249).

$$\text{FCF} = \frac{\text{FCFt} - \text{FCFt-1}}{\text{FCFt-1}}$$

Leverage

The leverage ratio compares company owners' funds and funds from company creditors. Jensen and Meckling (1976) stated that companies with high leverage also bear high monitoring costs. If providing more comprehensive information will require higher costs, then companies with higher leverage will provide more comprehensive information. According to Khaterine (1989), additional information is needed to eliminate doubts by bondholders regarding fulfilling their rights as creditors. Debt to Equity Ratio (DER) is a ratio that compares the value of debt and equity in funding a company and shows the ability of the company's capital to fulfill all its obligations. DER can measure the percentage of total funds provided by creditors with the capital

owned by the company (Anisa, 2015). This ratio provides an overview of the company's capital structure so that the level of risk of uncollectible debt can be seen (Prastowo & Juliaty, 2002). Mathematically, the company's leverage is calculated by using formulas:

$$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

The Company Age

The company age shows how long the company can survive on the stock exchange. The company age is a grouping of companies based on the criteria for how long the company has been listed on the Indonesian Stock Exchange. According to Marwata (2001), company age positively correlates

with voluntary disclosure. The underlying reason is that older companies have more experience in publishing financial reports. Companies with more experience will be more aware of their constituents' needs for information about the company.

Companies that have been around for a long time have certainly developed into large companies with many shareholders. So many parties need some information from the company. The company grew along with conditions in the business world, and its accountants learned more about growth issues. As a result, older established companies tend to be more open. Companies with more experience will be more aware of the importance of timeliness of company financial reporting. In this research, the measurement of the company age is the same as the measurement used in research by Simanjuntak and Widiastuti (2004), which is measured by the length of time the company has been listed on the Indonesia Stock Exchange from listing until 2022.

CA = Observer year period – Company Listing Year

Proportion of Independent Commissioners

Shareholders form the board of commissioners and represent shareholders in the company's management as operational supervisors. With its authority, the Board of Commissioners can significantly influence the decisions taken by management. It means that the board of commissioners can also have a role in disclosing the company's accountability reports. Mulyadi (2002) defines the board of commissioners as representatives of shareholders in a legal entity company or limited liability company which has the function of supervising company management carried out by management (directors) and is responsible for determining whether management has fulfilled their responsibilities in developing and implementing company internal control.

The board of commissioners can influence the extent of disclosure of social responsibility because the board of commissioners is the representative of the principal, who is the highest implementer in the company (Fahrizqi, 2010). In its implementation, decisions often occur that have an interesting relationship with the commissioner, which results in the resulting decision having a conflict of interest. For this reason, it is necessary to have an independent commissioner so that the decisions made are independent of the commissioner's interests, who still has a relationship with the company's management.

Independent Commissioners are members of the Board of Commissioners who are not affiliated with the Board of Directors, other members of the Board of Commissioners, and controlling shareholders and are free from business or other relationships that could affect their ability to act independently or act solely in the interests of the company. Based on the description above, the proportion of the board of commissioners is measured through:

$$PIC = \frac{\text{Total of Independent Commissioners}}{\text{Total Number of Commissioners}}$$

$$IGRI = \frac{\sum \text{Score of Disclosed CSR Items}}{\sum \text{Maximum CSR Score}}$$

Corporate Social Responsibility Disclosure

Disclosure of social responsibility is communicating the social and environmental impacts of an organization's economic activities on specific interested groups and society. It expands the responsibilities of organizations (especially companies) beyond their traditional role of providing financial reports to capital owners, especially shareholders. This expansion assumes that companies have broader responsibilities than just seeking profits for shareholders (Gray et al., 1987).

Disclosure of corporate social responsibility is no longer voluntary but has become an activity that must be stated in the annual report. This paradigm shift is based on several important reasons: First, the development of public concern for a company is because many companies do not make a direct positive contribution to society (Cheng & Christiawan, 2011). Second, company investors see CSR activities as a guideline for assessing a company's going concern potential (Yuliana et al., 2008). Third, the government has also supported the importance of CSR disclosure by issuing Law No. 40 of 2007 concerning Limited Liability Companies in Article 74, paragraph 1 concerning Social and Environmental Responsibility.

The implementation of social responsibility disclosure in Indonesia is regulated by referring to standards developed by GRI (Global Reporting Initiatives). The GRI standard was chosen because it focuses more on standards for disclosing various economic, social, and environmental performances to improve the quality and use of sustainability reporting. The GRI index is calculated using the formula (Bhuiyan and Biswan in Dwiyanti, 2010):

Framework

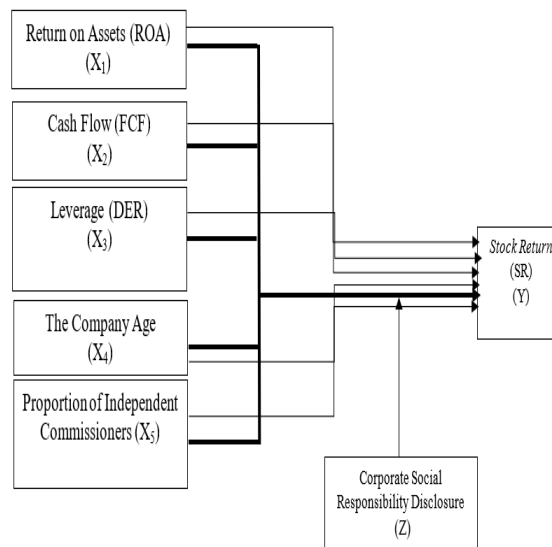


Figure 1. Framework

H1: Profitability (ROA) has a partial positive effect on stock returns

H2: Funding cash flow (FCF) has a partial positive effect on stock returns

H3: Leverage has a partially negative effect on stock returns

H4: The company age has a partial positive effect on stock returns

H5: The proportion of independent commissioners has a partially positive effect on stock returns

H6: CSR Disclosure can moderate the relationship between ROA and stock returns

H7: CSR Disclosure can moderate the relationship between funding cash flow and stock returns

H8: CSR Disclosure can moderate the relationship between Leverage and stock returns

H9: CSR Disclosure can moderate the relationship between the company age and stock returns

H10: CSR Disclosure can moderate the relationship between the proportion of independent board of commissioners and stock returns

MATERIALS & METHODS

This research is an associative study to determine the effect or relationship between two or more variables (Erlina, 2011). The population used in this research is property, real estate, and building construction companies listed on the Indonesian Stock Exchange from 2018 to 2022, totaling 37 companies. The sample is a part or representative of the population studied. In this study, samples were taken using the criteria of the purposive sampling method, namely, sampling based on subjective research considerations and adjusted to the research objectives. With the considerations above, the samples taken in this study must meet the following criteria:

1. Property, real estate, and building construction companies listed on the Indonesia Stock Exchange throughout the year under observation.
2. Publish financial reports with variables observed during the year under observation.

The sample in this study consisted of 31 property, real estate, and building construction companies. The total units of analysis in this research are 31 x 5 years = 155 units of analysis.

RESULT

A. Classic Assumption Test

Normality Test

In this study, the normality test of the residuals was used using the Shapiro-Wilk (SW) test.

1. The normality assumption is met if the probability value $p \geq 0.05$.
2. The normality assumption is met if the probability value $p \leq 0.05$.

Table 1. Normality Test with the Shapiro-Wilk Test

Shapiro-Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
data_resid~1	155	0.99343	0.787	-0.545	0.70698

Source: STATA Software Processing Results

Table 1 shows that the probability value is 0.70698. Because the p probability value, namely 0.70698, is greater than the significance level, namely 0.05. It means that the normality assumption is met.

Multicollinearity Test

In this research, symptoms of multicollinearity can be seen from the VIF value. Ghozali (2013) stated that if the VIF value is > 10 , this indicates multicollinearity. The results of the multicollinearity test are presented in Table 2.

Table 2. Multicollinearity Test with VIF

Variable	VIF	1/VIF
X3	1.12	0.890770
X4	1.07	0.938458
X2	1.06	0.940169
X5	1.00	0.995095
X1	1.00	0.996399
Mean VIF	1.05	

Source: STATA Software Processing Results

Table 2 shows no symptoms of multicollinearity between the independent variables. The VIF value is < 10 (Ghozali, 2013).

Autocorrelation Test

Assumptions regarding the independence of residuals (non-autocorrelation) can be tested using the Runs test. If the probability value from the Runs test is > 0.05 , then it can be concluded that there is no autocorrelation.

Table 3. Autocorrelation Test with Test Runs

N(data_resid~1 \leq .6138693690299988) = 78

N(data_resid~1 $>$.6138693690299988) = 77

obs = 155

N(runs) = 75

z = -.5600000000000001

Prob>|z| = .57

Source: STATA Software Processing Results

Table 3 shows that the probability value from the Runs test is 0.57 > 0.05 , so it is concluded that there is no autocorrelation.

Heteroscedasticity Test

Detection of the presence or absence of heteroscedasticity can be done by looking at whether there is a pattern in the scatter plot graph between the residuals on the Y-axis and the fitted values on the X-axis (Ghozali, 2013). Ghozali (2013) stated that the basis of the analysis is that a specific pattern, such as the points forming a certain regular pattern, indicates that heteroscedasticity has occurred. If there is no clear pattern, and the points spread above and below the number 0 on the Y axis, then heteroscedasticity does not happen.

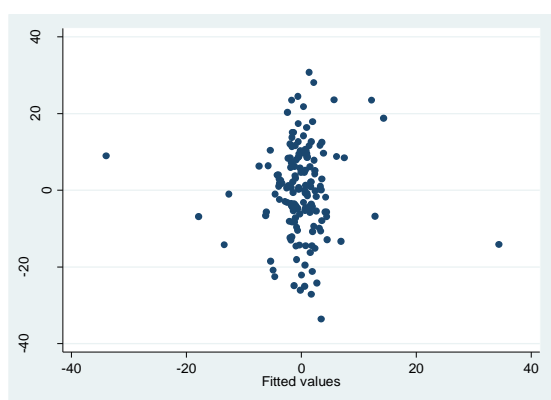


Figure 2. Heteroscedasticity Test

Based on Figure 2, there is no clear pattern, and the points are spread above and below the number 0 on the Y axis, so heteroscedasticity does not occur.

The Breusch-Pagan test can be used to test whether heteroscedasticity occurs or not. Table 5 presents the results of heteroscedasticity testing using the Breusch-Pagan test.

Table 4. Heteroscedasticity Test with the Breusch-Pagan Test
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance
Variables: fitted values of Y

chi2(1) = 2.58
Prob > chi2 = 0.1080

Source: STATA Software Processing Results

Based on the results of the Breusch-Pagan test in Table 4, it is known that the probability value = 0.1080 > 0.05, which means that heteroscedasticity does not occur.

B. Selection of Estimation Model

1. Determining the Estimation Model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM) using the Chow Test

The Chow test is to determine whether the estimation model is CEM or FEM in forming a regression model. The hypothesis tested is as follows:

1. H₀: The CEM model is better than the FEM model.
2. H₁: The FEM model is better than the CEM model

The following are the results based on the Chow test using STATA.

Table 5. Chow Test Result

F(30, 119) = 1.15
Prob > F = 0.2966

Source: STATA Software Processing Results

The rules for making decisions regarding hypotheses are as follows:

1. If the probability value is <0.05, H₀ is rejected, and H₁ is accepted.
2. If the probability value is ≥ 0.05, H₀ is accepted, and H₁ is rejected.

Based on the results of the Chow test, it is known that the probability value = 0.2966 > 0.05, so the model chosen is the common effect model (CEM).

3. Determining the Estimation Model between Fixed Effect Model (FEM) and Random Effect Model (REM) using the Hausman Test

The Hausman test is to determine whether the estimation model is FEM or REM in forming a regression model. The following are the results based on the Hausman test using STATA.

Table 6. Hausman Test Result

chi2(4) = (b-B)' [(V_b-V_B)⁻¹] (b-B)
= 4.43
Prob>chi2 = 0.3510

Source: STATA Software Processing Results

Based on the results of the Hausman test, it is known that the probability value = 0.3510 > 0.05, so the model chosen is the random effect model (REM).

4. Determining the Estimation Model between the Common Effect Model (CEM) and the Random Effect Model (REM) using the Lagrange-Multiplier (LM) Test

The LM test determines whether the estimation model is CEM or REM in forming a regression model. The following are the results based on the LM test using STATA.

Table 7. Lagrange-Multiplier (LM) Test Result

```
Test:  Var(u) = 0
      chibar2(01) = 0.01
      Prob > chibar2 = 0.4546
```

Source: STATA Software Processing Results

Based on the results of the LM test, it is known that the probability value = 0.4546 > 0.05, so the model chosen is the common effect model (CEM).

C. Hypothesis Test

In hypothesis testing, analysis of the coefficient of determination, simultaneous influence testing (F-test), and partial influence testing (t-test) will be carried out. The statistical values of the coefficient of determination, F test, and t-test are presented in Table 8.

Table 8. Statistical value of the Determination Coefficient, F test, and t-test (Common Effect Model (CEM))

Source	SS	df	MS	Number of obs = 155		
Model	4558.27078	5	911.654156	F(5, 149) =	6.21	
Residual	21885.3856	149	146.881783	Prob > F =	0.0000	
				R-squared =	0.1724	
				Adj R-squared =	0.1446	
Total	26443.6564	154	171.712055	Root MSE =	12.119	

Y	Coeff.	Std. Err.	t	P> t	[95% Conf. Interval]	
X1	40.66471	10.8562	3.75	0.000	19.21271	62.1167
X2	-.0005657	.0002623	-2.16	0.033	-.0010839	-.0000474
X3	2.592996	.9358623	2.77	0.006	.7437199	4.442273
X4	.103381	.1439096	0.72	0.474	-.1809863	.3877483
X5	-9.361797	9.687713	-0.97	0.335	-28.50484	9.781251
_cons	-1.612277	5.121448	-0.31	0.753	-11.73233	8.507772

Source: STATA Software Processing Results

Analysis of the Coefficient of Determination

Based on Table 8, it is known that the coefficient of determination (R-squared) is R²=0.1724. This value can be interpreted as ROA (X1), FCF (X2), Leverage (X3), The company age (X4), and Proportion of Independent Commissioners (X5), which can explain variations in stock returns (Y) of 17.24%, the remaining 82.76% is explained by other factors not included in the regression model.

Simultaneous Effect Significance Test (F Test)

The F test aims to test the influence of the independent variables together or simultaneously on the dependent variable. Based on Table 8, it is known that the value of Prob > F, namely 0.0000 < 0.05, so it can be concluded that all independent variables, namely ROA (X1), FCF (X2), Leverage (X3), The age of company (X4), Proportion The Independent Board of Commissioners (X5) simultaneously has a significant effect on the Stock Return variable (Y).

Regression Equation and Significance Test of Partial Influence (t-Test)

Based on Table 8, the following regression equation is obtained.

$$Y = -1.612 + 40.664X1 - 0.000565X2 + 2.592X3 + 0.103X4 - 9.3617X5 + e$$

The constant value Y = 1.6123 means that if ROA, Cash Flow, Leverage, company age, and proportion of independent board of commissioners equal zero, the stock return equals - 1.6123. ROA (X1) 40.6647 means that if ROA increases by 1 unit, stock returns will increase by 40.6647 units. FCF (X2) - 0.0005 means if FCF increases by 1 unit, then stock returns decrease by 0.0005 units. Leverage (X3) 2.592 means if leverage increases by 1 unit, then stock returns increase by 2.592 units. The company age (X4) is 0.103, meaning that if leverage increases by 1 unit, the stock return will increase by 0.103 units. The proportion of the Independent Board of Commissioners (X5) is -9.361, meaning that if the proportion

of the Independent Board of Commissioners increases by 1 unit, the share return will decrease by -9.361 units.

Based on Table 8, it is known: ROA (X1) positively affects Stock Return (Y), with a regression coefficient value of 40,664, and is significant. FCF (X2) negatively affects Stock Return (Y), with a regression coefficient value of -0.000565, and is significant. Leverage (X3) positively affects Stock Return (Y), with a regression coefficient value of 2,592, and is significant. The company age (X4) positively affects stock returns (Y), with a regression coefficient value of 0.1033, but it is insignificant. The proportion of Independent Commissioners (X5) has a negative effect on Stock Returns (Y), with a regression coefficient value of -9.3617, but not significant.

D. Moderation Testing

Next, a moderation test was carried out, namely testing whether CSR (Z) was significant as a moderator of the influence of ROA (X1), FCF (X2), Leverage (X3), The Company Age (X4), Proportion of Independent Commissioners (X5) on Stock Returns (Y). Moderation testing is carried out with the residual test.

Table 9. Moderation Test with Residual Test: CSR (Z) in Moderating the Effect of ROA (X1) on Stock Returns (Y)

```
. regress Z X1
```

Source	SS	df	MS	Number of obs = 155		
Model	.011819313	1	.011819313	F(1, 153) =	0.47	
Residual	3.85802498	153	.02521585	Prob > F =	0.4946	
Total	3.8698443	154	.025128859	R-squared =	0.0031	
				Adj R-squared =	-0.0035	
				Root MSE =	.15879	

Z	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
X1	.097209	.1419866	0.68	0.495	-.1832983	.3777164
_cons	.1941944	.0129249	15.02	0.000	.16866	.2197288

```
. regress abs_residual_x1 Y
```

Source	SS	df	MS	Number of obs = 155		
Model	.005090265	1	.005090265	F(1, 153) =	0.68	
Residual	1.1527873	153	.007534558	Prob > F =	0.4124	
Total	1.15787757	154	.007518686	R-squared =	0.0044	
				Adj R-squared =	-0.0021	
				Root MSE =	.0868	

abs_residu-1	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
Y	.0004387	.0005338	0.82	0.412	-.0006158	.0014933
_cons	.1319772	.0069721	18.93	0.000	.1182032	.1457512

Source: STATA Software Processing Results

$$Z = 0.194 + 0.097X_1 + e$$

$$|e| = 0.00042 + 0.131Y + \epsilon$$

Based on the results of the moderation test in Table 9, it is known that the probability value = 0.412 > 0.05, so CSR (Z) is not significant in moderating the effect of ROA (X1) on Stock Returns (Y).

Table 10. Moderation Test with Residual Test: CSR (Z) in Moderating the Effect of FCF (X2) on Stock Returns (Y)

```
. regress Z X2
```

Source	SS	df	MS	Number of obs = 155		
Model	.000277408	1	.000277408	F(1, 153) =	0.01	
Residual	3.86956689	153	.025291287	Prob > F =	0.9167	
Total	3.8698443	154	.025128859	R-squared =	0.0001	
				Adj R-squared =	-0.0065	
				Root MSE =	.15903	

Z	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
X2	3.50e-07	3.34e-06	0.10	0.917	-6.24e-06	6.94e-06
_cons	.1957818	.0128603	15.22	0.000	.1703751	.2211884

```
. regress abs_residual_x2 Y
```

Source	SS	df	MS	Number of obs = 155		
Model	.005473849	1	.005473849	F(1, 153) =	0.73	
Residual	1.1432346	153	.007472122	Prob > F =	0.3934	
Total	1.14870845	154	.007459146	R-squared =	0.0048	
				Adj R-squared =	-0.0017	
				Root MSE =	.08644	

abs_residu-2	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
Y	.000455	.0005316	0.86	0.393	-.0005952	.0015051
_cons	.1324821	.0069432	19.08	0.000	.1187652	.1461989

Source: STATA Software Processing Results

$$Z = 0.195 + 0.0000000350X_2 + e$$

$$|e| = 0.000455 + 0.132Y + \epsilon$$

Based on the results of the moderation test in Table 10, it is known that the probability value = 0.393 > 0.05, so CSR (Z) is not significant in moderating the effect of FCF (X2) on Stock Returns (Y).

Table 11. Moderation Test with Residual Test: CSR (Z) in Moderating the Effect of Leverage (X3) on Stock Returns (Y)

```
. regress Z X3
```

Source	SS	df	MS	Number of obs = 155		
Model	.12036288	1	.12036288	F(1, 153) =	4.91	
Residual	3.74948142	153	.024506414	Prob > F =	0.0282	
Total	3.8698443	154	.025128859	R-squared =	0.0311	
				Adj R-squared =	0.0248	
				Root MSE =	.15655	

Z	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
X3	.0252847	.0114091	2.22	0.028	.002745	.0478243
_cons	.1713491	.0166764	10.27	0.000	.1384034	.2042948

```
. regress abs_residual_zx3 Y
```

Source	SS	df	MS	Number of obs = 155		
Model	.016795723	1	.016795723	F(1, 153) =	2.30	Prob > F = 0.1313
Residual	1.11650976	153	.007297449	R-squared =	0.0148	Adj R-squared = 0.0084
Total	1.13330548	154	.007359127	Root MSE =	.08543	

abs_residu-3	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
Y	.000797	.0005253	1.52	0.131	-.0002409 .0018348
_cons	.1299014	.0068615	18.93	0.000	.1163459 .143457

Source: STATA Software Processing Results

$$Z = 0.1713 + 0.0252X_3 + e$$

$$|e| = 0.1299 + 0.000797Y + \varepsilon$$

Based on the results of the moderation test in Table 11, the probability value = 0.131 > 0.05 is known. Hence, CSR (Z) is not significant in moderating the effect of Leverage (X3) on Stock Returns (Y).

Table 11. Moderation Test with Residual Test: CSR (Z) in Moderating the Effect of the Company Age (X4) on Stock Returns (Y)

```
. regress Z X4
```

Source	SS	df	MS	Number of obs = 155		
Model	.029048037	1	.029048037	F(1, 153) =	1.16	Prob > F = 0.2838
Residual	3.84079626	153	.025103244	R-squared =	0.0075	Adj R-squared = 0.0010
Total	3.8698443	154	.025128859	Root MSE =	.15844	

Z	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
X4	.0019605	.0018225	1.08	0.284	-.0016401 .0055611
_cons	.1561624	.0388307	4.02	0.000	.0794488 .232876

```
. regress abs_residual_zx4 Y
```

Source	SS	df	MS	Number of obs = 155		
Model	.002367224	1	.002367224	F(1, 153) =	0.33	Prob > F = 0.5691
Residual	1.11246	153	.00727098	R-squared =	0.0021	Adj R-squared = -0.0044
Total	1.11482723	154	.007239138	Root MSE =	.08527	

abs_residu-4	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
Y	.0002992	.0005244	0.57	0.569	-.0007367 .0013351
_cons	.1326096	.0068491	19.36	0.000	.1190786 .1461405

Source: STATA Software Processing Results

$$Z = 0.1561 + 0.00196X_4 + e$$

$$|e| = 0.1326 + 0.0002992Y + \varepsilon$$

Based on the results of the moderation test in Table 11, the probability value = 0.569 > 0.05 is known. Hence, CSR (Z) is not significant in moderating the effect of the company age (X4) on Stock Returns (Y).

Table 12. Moderation Test with Residual Test: CSR (Z) in Moderating the Effect of the Proportion of Independent Commissioners (X5) on Stock Returns (Y)

```
. regress Z X5
```

Source	SS	df	MS	Number of obs = 155		
Model	.158592453	1	.158592453	F(1, 153) =	6.54	Prob > F = 0.0115
Residual	3.71125184	153	.024256548	R-squared =	0.0410	Adj R-squared = 0.0347
Total	3.8698443	154	.025128859	Root MSE =	.15575	

Z	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
X5	.3175491	.1241893	2.56	0.012	.072202 .5628963
_cons	.0670922	.051801	1.30	0.197	-.0352455 .1694298

Source: STATA Software Processing Results

$$Z = 0.06709 + 0.3175X_5 + e$$

$$|e| = 0.1309 + 0.00061Y + \varepsilon$$

Based on the results of the moderation test in Table 12, it is known that the probability value = 0.231 > 0.05, so CSR (Z) is not significant in moderating the influence of the Proportion of Independent Commissioners (X5) on Stock Returns (Y).

Table 13. Moderation Test with Residual Test: CSR (Z) in Moderating the Effect of ROA (X1), FCF (X2), Leverage (X3), The age of company (X4), Proportion of Independent Commissioners (X5) on Stock Returns (Y)

```
. regress Z X1 X2 X3 X4 X5
```

Source	SS	df	MS	Number of obs = 155		
Model	.366279507	5	.07325901	F(5, 149) =	3.12	Prob > F = 0.0105
Residual	3.50356479	149	.023513858	R-squared =	0.0946	Adj R-squared = 0.0643
Total	3.8698443	154	.025128859	Root MSE =	.15334	

Z	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
X1	.1134334	.1373586	0.83	0.410	-.157989 .3848557
X2	1.70e-06	3.32e-06	0.51	0.610	-4.86e-06 8.25e-06
X3	.0314383	.011841	2.66	0.009	.0080403 .0548364
X4	.0030896	.0018208	1.70	0.092	-.0005084 .0066875
X5	.311774	.1225742	2.54	0.012	.0695657 .5539823
_cons	-.0238583	.0647994	-0.37	0.713	-.1519027 .1041861

Source: STATA Software Processing Results

$$Z = 0.112X_1 + 0.0000017X_2 + 0.0214X_3 + 0.003089X_4 + 0.31174X_5 + ee$$

$$|e| = 0.12568 + 0.0005854Y + \varepsilon$$

Based on the results of the moderation test in Table 13, it is known that the probability value = $0.251 > 0.05$, so CSR (Z) is not significant in moderating the influence of ROA (X1), FCF (X2), Leverage (X3), The age of company (X4), Proportion of the Board of Commissioners Independent (X5) of Stock Return (Y).

CONCLUSION

Based on the research results in the chapter above, it can be concluded that

1. ROA (X1), FCF (X2), Leverage (X3), The Company Age (X4), and Proportion of Independent Commissioners (X5) simultaneously or together influence Share Return (Y) of 17.24%, the remaining amount is other factors influence 82.76%.
2. ROA (X1), FCF (X2), Leverage (X3), The company age (X4), and Proportion of Independent Commissioners (X5) simultaneously have a significant effect on the Stock Return variable (Y).
3. ROA (X1) positively affects Stock Return (Y). This research supports Nesa Anisa's (2015) and Fachreza Muhammad's (2015) research. However, it is not in line with Bambang Sudarsono (2016) and Suryanto (2022), who state that ROA has no significant effect on Stock Returns. This positive and significant influence shows that companies with high profitability will maintain their profits to give investors confidence to invest.
4. FCF (X2) has a negative effect on Stock Return (Y). This research aligns with Soesetio (2005) and Sidik (2011), which show that cash flow from funding activities significantly negatively affects stock returns. However, this does not align with Keisya Lovely (2021) and Baru Harahap (2020), who stated that cash flow from funding activities positively affects stock returns. Company financing through debt generates interest on the debt. If the profits generated are insufficient to pay debts and interest, the company will be in financial distress,

which can lead to bankruptcy. If the company goes bankrupt, investors are the last party to claim the company's assets. This situation makes investors avoid investing in companies that have high debt

5. Leverage (X3) positively affects Stock Return (Y). This research supports research by Nidianti (2013) and Muhammad Reza (2018), which states that Leverage has a positive and significant effect on Stock Returns, but is not in line with Suryanto's research (2022) and Ayu Wulandari (2020) who stated that Leverage has a negative effect on Stock Returns. DER shows the proportion of debt used to finance investments. Companies with a high DER ratio (having large debts) can have a significant financial risk and an enormous opportunity to generate high profits. Companies utilizing debt well and optimally will provide greater profits and share returns than just using their capital.
6. The company age (X4) positively affects stock returns (Y). The results of this research support the research of Purwanti (2017), which states that company age has a positive and insignificant effect on stock returns. However, this research does not align with Marwata's (2001) and Mufqi Mardika's (2015), who stated that company age positively and significantly affects stock returns. Company age does not always positively and significantly affect stock returns, which means that companies that have not been established for long have the possibility that these companies will have higher returns than companies that have been established for a longer time. Investors do not see a direct relationship between company experience generating stock returns. This indicates that investors are not influenced by how long a company has been listed on the IDX.
7. The proportion of Independent Commissioners (X5) has a negative effect on Stock Returns (Y). This

research supports the results of Beni (2013) and Awan (2013), which state that the proportion of Independent Commissioners has a negative and insignificant effect on Stock Returns. However, this research is not in line with research by Yulia (2023), Sari (2020) and Christya (2018) which states that the proportion of Independent Commissioners has a positive and significant effect on Stock Returns. The role of the independent board of commissioners cannot improve the quality of shares through the monitoring function of financial reporting, and there is also low awareness of the importance of the GCG system in increasing the quality of firm value.

8. CSR (Z) is not significant in moderating the influence of ROA (X1), FCF (X2), Leverage (X3), The company age (X4), Proportion of Independent Commissioners (X5) on Stock Returns (Y). CSR does not moderate the relationship between ROA and Stock Returns. Instead, it weakens the influence of ROA on Stock Returns. Before CSR entered as a moderator, ROA had a positive and significant effect on Stock Returns; when CSR entered as a moderator, it turned out that the results were not significant, meaning that CSR weakened the influence of ROA on Stock Returns. After looking at the descriptive statistics of 31 companies, the average CSR disclosure was only 0.19 or 19%. Naturally, CSR does not moderate the relationship between ROA, AKP, Leverage, company age, and the proportion of Independent Commissioners with stock returns.

LIMITATIONS

Based on the conclusions that have been described, there are limitations to this research, namely as follows:

1. Return on assets, cash flow from funding activities, leverage, the company age, and the proportion of the independent board of commissioners

have an influence of 17.24% on stock returns. It shows that the contribution of other variables, namely 82.76% in predicting stock returns, is much more significant.

2. The research period was only five years, 2018-2022. Research should be done over extended years to get an objective financial picture.
3. Variables that influence stock returns are only represented by four independent variables. Meanwhile, there are still many other variables.

SUGGESTIONS

1. Based on the research results and the explanations presented above, several suggestions can be made as follows:
2. For further research, we will again test the influence of other variables that can influence stock returns in property real estate and building construction companies listed on the Indonesia Stock Exchange.
3. For further research, this research can be used as a reference or supporting material in conducting future research.
4. The CSR variable is insignificant in moderating the influence of ROA, FCF, DER, Company Age, and Independent Board of Commissioners on Stock Returns. It can be seen from the descriptive statistics table, which shows the average value of CSR disclosure itself is 0.19, which means that CSR disclosure in Property Real Estate and Building Construction companies listed on the IDX with the observation in 2018-2022 is still considered very low. It is hoped that future researchers can choose other business sectors that can show a higher average CSR value.

Declaration by Authors

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