The Effect of Corporate Social Responsibility, Firm size, and Financial Aspects Towards Stock Returns of Telecommunication Companies Listed on Indonesia Stock Exchange 2016 - 2021

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Abstract

The telecommunications service company is one of the infrastructure, utilities and transportation sub-sector companies listed on the Indonesia Stock Exchange that is growing and developing in Indonesia. This is indicated by the number of telecommunication network towers in urban and rural areas. The construction of telecommunications network towers in urban and rural areas has led to the development of telecommunications companies. This study aims to analyze and evaluate the effect of Corporate Social Responsibility (CSR), Return-on-Equity (ROE), Debt-to-Asset Ratio (DAR), Debt-to-Equity Ratio (DER), and Firm Size (SIZE) on Stock Returns. By using the quantitative method, the results show that, partially CSR and DER variables have a negative effect on Stock Return whereas ROE, DAR, and SIZE variables have a positive effect on Stock Return in Telecommunication Service Companies in Indonesia.
Simultaneously, the CSR, ROE, DAR, DER, and SIZE variables have a positive effect on stock returns on telecommunications companies in Indonesia with an Adjusted R-squared value of 0.904925 or 90.49%. This means that the percentage contribution to the influence of the independent variables namely CSR, ROE, DAR, DER, and SIZE on the dependent variable, namely Stock Return of 90.49% or the variation of the independent variable can explain 90.49% of the variation in the dependent variable. While the remaining 9.51% is influenced or explained by other variables not examined in the regression model in this study.

Keywords: Corporate Social Responsibility, Financial Aspects, Stock Returns, Telecommunication, Firm Size.

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1. Introduction

1.1. Background of Study

Stocks are one of the most attractive capital market instruments for investors because they offer attractive returns. Shares can be defined as proof of ownership of an individual or party (business entity) participating in a company or limited liability company so that the parties involved can claim company income, claim company assets, and are entitled to participate to be listed on Indonesia Stock Exchange (IDX).

The aim of investors to invest is to maximize Stock Returns income (Santoso et al., 2020). Stock Returns are the benefits that investors get from investment policies with long- or short-term characteristics (Brigham and Ehrhardt, 2017:242). Investors generally expect a positive rate of return on shares. Empirically, the minimum standard of return on investment is 15% (Shah et al., 2020).

The share price of Indonesian telecommunications companies will increase by an average of 40% in 2021. In terms of performance, the shares of the telecommunications issuer PT Telkom Indonesia (Persero) Tbk. (TLKM) recorded a gain of +22%. Meanwhile, the other issuer is PT XL Axiata Tbk. (EXCL) up +16%, PT Indosat Tbk. (ISAT) up +57%. If the business results obtained are high, it will produce high Stock Returns and vice versa. The Stock Returns owned by the telecommunication service companies above in the last 6 (six) years are highly volatile. The following are Stock Returns from 5 telecommunication services companies listed on the IDX which are calculated on average in one year.

Table 1. Average Stock Returns on Telecommunication Services Companies Listed on the IDX (2016 – 2021)

Company Name	Average Stock Return					
	2016	2017	2018	2019	2020	2021
PT. Telkom Indonesia Tbk.	0,2818	0,1156	-0,1554	0,0587	-0,1662	0,2205
PT. XL Axiata Tbk.	-0,3671	0,2814	0,1520	-0,0762	-0,1333	0,1612
PT. Indosat Tbk.	0,1727	-0,2558	-0,6490	0,7270	0,7354	0,2277
PT. Smartfren Telecom Tbk.	0,0392	-0,0566	0,5600	0,7692	-0,5145	-1,0000
PT. Tower Bersama Infrastructure Tbk.	-0,1523	0,2902	-0,4397	-0,6583	0,3252	0,8098
PT. Protech Mitra Perkasa Tbk.	0,0000	0,0000	-0,0754	0,1413	-0,1238	1,2962
PT. Surya Citra Media Tbk	-0,09677	-0,1143	-0,2460	-0,2460	-0,6752	-0,2882

Source: https://www.idx.co.id/ (Processed data, 2022)

As per Table 1 above, it shows that Stock Returns from telecommunication services companies for the last 6 (six) years from 2016 to 2021 are very volatile and tend to be negative. To predict Stock Returns, many factors that can be used as parameters include company financial information and market or stock information. Financial information and market information that can be used to predict Stock Returns include Firm Size, ROE, DER, DAR, and CSR.

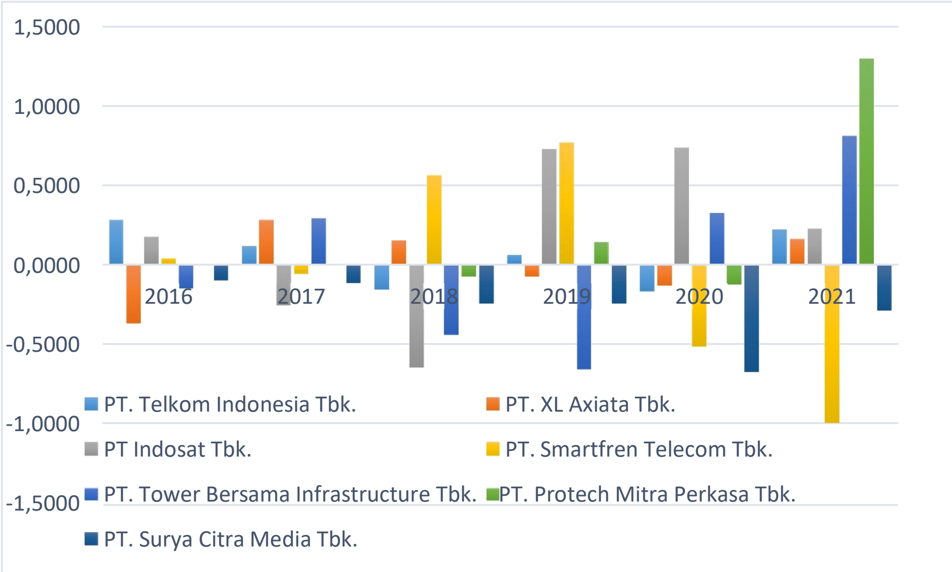

Figure 1. Average Stock Returns of Telecommunication Companies, 2016-2021

The increase and decrease in Stock Returns can also be caused by financial performance. According to Aljana and Purwanto (2018) financial performance is an achievement or result achieved by the company's management effectively during a certain period. When the financial performance is in good condition, the company's shares will be much in demand because financial performance becomes one of the factors investors use when buying shares. More investor interest in stock will cause an increase in the stock price because of the amount of demand (Faesol elt al., 2018). The financial ratios used to measure financial performance in this study are the ratio of profitability represented in return on equity (ROE). According to Kasmir (2016: 204) the higher the ROE value, the better the company's performance is, and the company's position will be stronger, and vice versa. If the ROE increases, it means that the company is considered capable of generating high profits, which can increase the company's stock price.

The health of a business depends on the health of its social environment. The government enacts laws that can bind companies related to natural resources, to reduce forms of exploitation of nature and violations in the social sector. This is often referred to as Corporate Social Responsibility. In Indonesia Corporate Social Responsibility (CSR) is regulated in Law No. 40 Article 74 of 2007 concerning Limited Liability Companies (LLC). Paragraph 1 of the law states that companies that carry out their business activities in the field and or related to natural resources are obliged to carry out Social and Environmental Responsibility. In addition to Law No. 40 Article 74 of 2007, there are also regulations that contain provisions regarding Corporate Social Responsibility, namely the regulation of the Minister of SOEs PER-09/MBU/07/2015 concerning the Partnership Program and Community Development Program. The Financial Services Authority (OJK) regulations have issued a set of regulations, namely OJK Regulation Number: 51/POJK.03/2017 regarding sustainable finance, in which companies are required to publish a sustainability report to the public that includes economic, financial, social, and environmental performance (OJK, 2017). Therefore, the Indonesian business system operates in conditions where ethical behavior, social responsibility, government regulations, and laws are interrelated (Tandry et al., 2014). Profitability and company size are fundamental things to know the company in depth in terms of financial performance and the complexity of its business activities (Narayana et al., 2021).

Legitimacy theory explains that large companies will make wider and more detailed CSR disclosures to gain legitimacy in the eyes of the public. Stakeholder theory also explains that large companies will provide benefits to stakeholders. Zahara et al., (2019) explained that the results of research and data processing showed that the influence of CSR had a positive effect on firm value at PT. Telekomunikasi Indonesia Tbk. Hery (2017) in his research states that CSR can have a positive influence on financial performance, competitive advantage, employee satisfaction and retention, as well as the company's overall reputation.

1.2 Research Gap

Santoso et al., (2020) which states that, the results of the Return on Equity (ROE) research partially have a significant positive effect on stock returns. This is in line with Antara et al., (2014) research results explain that ROE has a positive and significant effect on stock returns, while Current Ratio and Assets Turnover have a negative effect on stock returns. Mayasari and Anggraini, (2016) Return on Equity (ROE) has a significant effect on stock returns of the Telecommunications sub-sector However, the results of this study contradict the results of research by Faesol et al., (2018), stated that, the results of the analysis showed that Return on Equity (ROE) partially had no effect. Vionitasari and Dura, (2020) which states that, the results of the analysis show that Return on Equity (ROE) has no effect on stock returns.

Mandasari et al., (2017); Harry. (2017); Zahara et al., (2019); Santi, (2014), the results of research with multiple linear regression analysis show that Corporate Social Responsibility (CSR) has a significant positive effect on stock returns. Research conducted by Retno (2012), Dewi and Badjra, (2017), Elviani and Dewi (2019), Siregar (2019) stated that corporate social responsibility has a positive effect. Sugiyanto (2011), Cheng and Christiawan (2011), and Muid (2011) who conducted empirical testing to determine the effect of Corporate Social Responsibility on stock returns, that the CSR variable has a positive effect on stock returns. However, the results of this study contradicted the results of Anjani et al., (2018); explained the results of the study that, the partial test got the results of Corporate Social Responsibility (CSR) not having a significant effect on stock returns. Ardimas (2015) research which states that corporate social responsibility has no effect on firm value. Mendra et al., (2021) The results of the analysis state that corporate social responsibility has no effect.

Anjani et al., (2018); Faesol et al., (2018), The results of the study explain that, partially ROE has no effect with significance on stock return. Santoso et al., (2020) stated that ROE partially has a significant positive effect on stock returns. However, the results of this study contradicted the results of Mayasari and Anggraini, (2016) Return on Equity (ROE) has a significant effect on stock returns of the Telecommunications sub-sector.

Anjani et al., (2018) The results of the study explain that DAR has a significant effect on stock return. Faesol et al., (2018), stated that the results of the analysis showed that DAR had a partially significant effect. Apriyani et al., (2021). Debt to Assets Ratio (DAR) has a positive and insignificant effect on stock returns. This result is also reinforced by research by Ristyawan (2019) and Andriani (2020); Chandra (2021) which has a positive and significant influence between solvency on stock returns. However, the results of this study contradicted the results of the results of this study are in line with the results of research which states that the Debt to Asset Ratio has no effect on stock prices (Utami and Darmawan, 2018; Sriwahyuni and Saputra, 2017) so it can be interpreted that partially the Debt to Asset Ratio has no effect and does not significant.

Santoso et al., (2020) stated that the results of the Debt-to-Equity Ratio (DER) study have a significant negative effect on stock returns. Putra et al., (2016) research results show that the Debt-to-Equity ratio has a negative and insignificant effect on returns. Surahmat and Wulandari, (2019) the results of the study show that the Debt-to-Equity Ratio (DER) has a significant positive effect. Kurniawati and Kustianingsih, (2021) the results of the study explain that the Debt-to-Equity Ratio individually has a significant effect on stock returns. However, the results of this study contradicted the results of Santi (2014); Afinindy and Budiyanto (2017), study, the results partially showed DER had no significant effect on stock returns. This is supported by Vionitasari and Dura, (2020) which state that the result of the analysis shows that the Debt-to- Equity Ratio (DER) has no effect on stock returns. Novari and Lestari, (2016); Anjani et al., (2018), research explains that the results show DER has no positive significant effect on profitability.

1.3 Research Objectives

In this research, an empirically validated model was developed to study and analyze the factors, as follows: (1) To analyze the effect of Corporate Social Responsibility (CSR) on stock returns.

(2) To analyze the effect of Return-on-Equity (ROE) on stock returns; (3) To analyze the effect of Debt-to-Asset Ratio (DAR) on stock returns; (4) To analyze the effect of Debt-to-Equity Ratio (DER) on stock returns; (5) To analyze whether Firm Size moderate the effect of Corporate Social Responsibility (CSR) on stock returns; (6) To analyze whether Firm Size moderate the effect of Return-on-Equity (ROE) on stock returns; (7) To analyze whether Firm Size moderate the effect of Debt-to-Asset Ratio (DAR) on stock returns; (8) To analyze whether Firm Size moderate the effect of Debt-to-Equity Ratio (DER) on stock returns.

1.4 State Of the Art and Novelty

The variables used in this research are the influence of Corporate Social Responsibility (CSR), Profitability (ROE), Debt-to-Asset Ratio (DAR), Debt-to-Equity Ratio (DER), and Firm Size (SIZE) on Stock Returns. Telecommunication Companies in Indonesia at Telecommunication Companies Listed on the Indonesia Stock Exchange for the 2016-2021 period became the object of research. It is hoped that it will continue to develop the models that have been made previously. The indicators of each variable can be used as a research reference in making investment decisions in Telecommunication Service Companies in Indonesia. Different concept definitions will be found from previous researchers, and no previous researchers have combined these variables in one model.

2. Method

According to Sekaran and Bougie (2016), research is the process of finding solutions to a problem through a thorough study and with situational factor analysis. Meanwhile, research methods are the tools and techniques for doing research (Santoso, 2020). Research methods are a scientific way to obtain data with specific purposes and use (Sugiyono, 2018). In addition, a research methodology can also be defined as a set of actions that can be taken to investigate research problems and the reasons for applying specific procedures or techniques used to identify, select, process, and analyze the information involved to understand the problem.

2.1 Research Design

Researchers will outline how the research will be conducted, including methods to answer questions and research objectives. (Sekaran and Bougie, 2016), a research design is a plan to collect, measure, and analyze data based on research questions. The research approach used in this research is a quantitative method. According to (Sugiyono, 2018), quantitative methods are carried out because of numbers and data analysis.

2.2 Population

In research, will not be separated from the determination of the population and sample. This happens because the population and sample are research subjects, and both are sources of data in a study. For the objectives and research to be achieved properly, the population and samples taken must be appropriate. The sample taken must be the representative of or can represent the population. According to Arikunto (2016), the population is all research subjects. Meanwhile, Sugiyono (2018:130) defines population as a generalization area consisting of objects or subjects that have certain characteristics and qualities determined by researchers to be studied, which then draws a conclusion. The population in this study is all shares of Telecommunication service companies that have been listed on the Indonesia Stock Exchange for the period 2016- 2020. According to Arikunto (2016), the population is the overall research subject. The population in this study can be seen in the table below:

Table 2. Research Population List

No.	Company Name	Code
1	PT. Telkom Indonesia Tbk.	TLKM
2	PT. XL Axiata Tbk.	EXCL
3	PT. Indosat Tbk.	ISAT
4	PT. Smartfren Telecom Tbk.	FREN
5	PT. Tower Bersama Infrastructure Tbk.	TBIG
6	PT. Protech Mitra Perkasa Tbk.	OASA
7	PT. Surya Citra Media Tbk.	SCMA
8	PT. Sarana Menara Nusantara Tbk	TWOR
9	PT. MNC Vision Networks Tbk.	IPTV
10	PT. Jasnita Telekomindo Tbk.	JAST

Source: IDX, (2022)

2.3 Sampling Method

The sampling technique used is Non-Probability Sampling. According to Sugiyono (2018: 82) Non-Probability Sampling is a sampling technique that provides equal opportunities or opportunities for each member or element of the population to be selected as a sample. The sampling technique used is a saturated sample for data collection. According to Sugiyono (2018:85) the saturated sampling technique is a sampling technique where all members of the population are sampled. Researchers make provisions in sampling by setting certain criteria with the aim of being able to provide answers to the problems in this study.

The specifications of the inclusion criteria for determining the sampling used in this study are as follows: (a) A company engaged in the sub-sector of the Telecommunications industry in Indonesia. The Islamic banking industry sector is the choice of researchers, because telecommunications is an important industry in accelerating economic growth, so Stock Returns are very interesting to study and study more deeply. This research focuses more on public companies (Tbk.) telecommunications in Indonesia; (b) A telecommunications company that has been operating for more than 5 (five) years; (c) Data on ownership status of BUMN, Private, and Foreign Telecommunications operating in Indonesia, both listed on the official website of the Indonesia Stock Exchange (IDX) and from the respective companies concerned; (d) Financial report data and annual reports of each company for the period 2016 to 2021.

Based on the criteria that have been determined by the researcher, a sample of 10 (ten telecommunications companies) was obtained, there were 3 (three) that did not meet the criteria b and d. The specificity of the criteria for researchers who met the requirements is as presented in the table as follows:

Table 3. Total Population and Research Sample

No	Criteria	Total
1	Total Population of Telecommunication Companies in Indonesia.	10
2	Telecommunications companies that do not meet the criteria b and d.	(3)
Number of Telecommunication Companies sampled in the Research		7

Source: Author, (2022)

Referring to Table 3 above, the research sample obtained is 7 (seven) Telecommunication Companies in Indonesia, as attached in Table 4 below:

Table 4. List of Research Samples

No.	Company Name	Code
1	PT. Telkom Indonesia Tbk.	TLKM
2	PT. XL Axiata Tbk.	EXCL
3	PT. Indosat Tbk.	ISAT
4	PT. Smartfren Telecom Tbk.	FREN
5	PT. Tower Bersama Infrastructure Tbk.	TBIG
6	PT. Protech Mitra Perkasa Tbk.	OASA
7	PT. Surya Citra Media Tbk.	SCMA

Source: Author, (2022)

2.4 Research Hypothesis

The hypothesis is a temporary answer, because the given is still based on what is relevant to theresearch question. The provisional answer is not based on empirical facts obtained through datacollection. The following is the model hypothesis in this research:

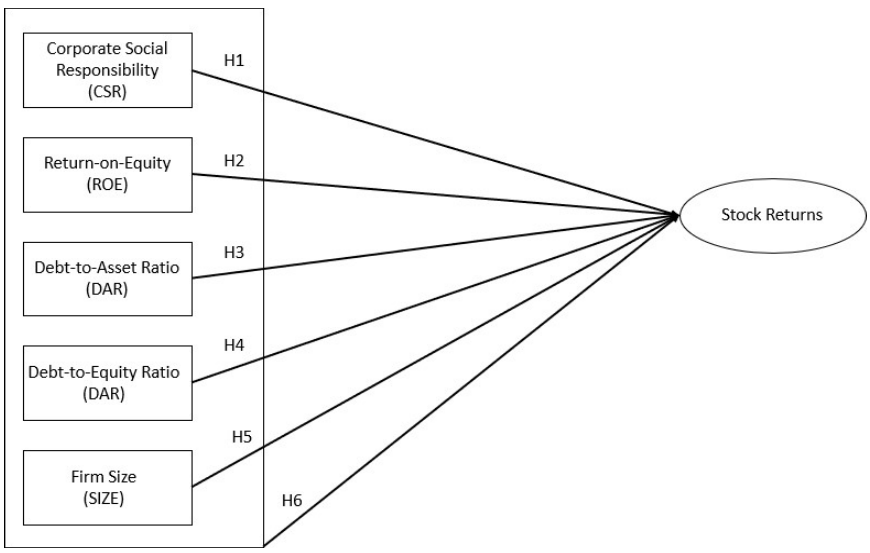

Figure 1. Research Model Hypothesis

2.5 Variables and Measurements

A variable in research is something in any form that is appointed and determined by the researcher who is deliberately studied so that information about the subject is obtained, which then draws a conclusion. In accordance with the title of this research, namely: Determinants of Profitability and Their Implications on Stock Returns on Telecommunication Companies in Indonesia. The operational definition of variables is intended to clarify the variables to be studied, where the main problems of this research are: (1) Corporate Social Responsibility (CSR); (2) Profitability (ROE); (3) Debt to Asset Ratio (DAR); (4) Debt to Equity Ratio (DER); (5) Firm Size (SIZE); (6) Sock Returns.

2.5.1 Corporate Social Responsibility (CSR)

CSR is the obligation of entrepreneurs to formulate policies and make decisions that are in line with the goals of community values. Corporate social responsibility is a company or business world's commitment to contribute to sustainable economic development by paying attention to and bearing responsibility for the social environment and emphasizing balancing the concern between economic, social, and environmental aspects (Narayana et al., 2021). According to Hafez (2016), CSR is an aspect that strengthens the level of employee engagement in an organization. Fahmi, (2014) CSR is management's obligation to make choices and take actions that play a role in realizing prosperity and society.

CSR is also the value of the company, which is a manifestation of the company's responsibility and concern for the environment and society ISO 26000 (Mendra et al., 2021). Next, the scores of each item are summed to get an overall score for each company. The following is the formula for calculating the CSR disclosure ratio using the GRI Indicator G4 = 91 items:

$$\mathbf{CSRIj} = \frac{\sum X_{ij}}{\mathbf{nj}} \mathbf{X\ 100\%} \tag{1}$$

Where:
CSRIj = Corporate social responsibility disclosure index of company j,
Nj = the number of a company j items,
ΣXij = dummy variable, 1 = if the item i disclosed; 0 = if the item i not disclosed.
Therefore, $0 \leq CSRIj \leq 1$.

2.5.2 Return on Equity (ROE)

Return On Equity (ROE) is return on equity or return on equity or profitability of own capital is a ratio to measure net profit after tax with own capital. This ratio shows the efficiency of theuse of own capital. The higher this ratio, the better. This means that the position of the owner of the company is getting stronger, and vice versa. Profitability is the company's ability to generate profits and measure the level of operational efficiency in using its assets. Profitabilityis one of the factors that affect the value of the company, because this ratio is closely related tothe leverage used by the company. The company's ability to generate net income on its own capital. The larger this number, the more profitable the company is, and conversely, the smallerthis ratio, the less profitable the company (Santoso et al., 2020). Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is consideredthe return on net assets. ROE is considered a measure of a corporation's profitability in relation to stockholders' equity.

According to Ristyawan (2019), return on equity describes the extent of the company's ability to generate profits available to shareholders. The higher the value of ROE, the more efficient the company is in using its capital to generate profits. Therefore, efficient utilization of profitswill give hope of rising returns on the shares they own. According to Santoso et al., (2020) ROEis one of the profitability ratios that is quite often used in analyzing the company's financial performance for investors. The following is the formula for Return-On-Equity (ROE) are:

$$ROE = 100\,x \frac{Net\ Profit}{Total\ Company\ Equity}$$

Debt-to-Asset Ratio (DAR)

DAR provides an overview of the company's ability to pay off all its debts when compared to the capital owned by internal parties. An increase in the DAR value means an increase in the value of the shares owned by the company. DAR is a monetary proportion whose function is to assess the number of organizational resources financed by obligations or debts. These proportions or ratios can provide data on an organization's ability to adjust to reduced resources due to losses without reducing interest payments to lenders.

Muliana, (2020) Debt Equity Ratio is a ratio to measure the company's ability to fulfill obligations with the guarantee of all assets owned by a company. Raehan et al., (2022) that, the results of the t-test of DAR, obtained the value of sig. it is smaller than 0.05 and t-count is greater than t-table with t-count of 2.639 with sig. 0.024 states that DAR partially has a significant effect on Stock Returns. Sanaya and Kharisma, (2020) DAR is a monetary proportion whose function is to assess the number of organizational resources financed by obligations or debts. The following is the formula for Debt to Asset Ratio (DAR) are:

$$DAR = 100\,x \frac{Total\ debt}{Total\ assets}$$

2.5.3 Debt-to-Equity Ratio (DER)

The use of debt can be interpreted by shareholders as the company's ability to pay off the company's obligations in the future, so that it gets a positive response from the capital market. Leverage is the company's ability to use assets from borrowed funds to generate returns. One of the ratios in determining leverage is to use the Debt Equity Ratio (DER). The debt or leverage ratios are used to evaluate the ability of a company to fulfil its long-term debt obligations and to reveal the percentage of the company's capital structure that is made upon debt or liabilities owed to external parties Batubara (2017). The debt or leverage ratios can be measured by the Debt-to-Equity ratio (DER). DER is a ratio to measure the company's ability to repay loans from outside parties (Beriwisnu and Maswar (2017). The DER ratio can provide benefits, if a company is able to utilize its debt optimally and can provide higher stock returns than using its own capital (Raningsih and Putra, 2015).

The results of the partial test show that DER influences Stock Returns. DER is a ratio to measure debt to equity owned by the company so that it can provide an overview of the feasibility and financial risk of the company. DER is used to see how much of your own funds are used to pay debts. The following is the formula for Debt-to-Equity Ratio (DER) are:

$$DER = 100\,x \frac{Total\ debt}{Total\ equity}$$

2.5.4 Firm Size (SIZE)

One of the benchmarks that show the size of the company is the size of the company's resources (Husnan, 2015). The size of the company (firm size) also determines the level of investor confidence. The bigger the company, the more recognized by the public, which means it is easier to get information that will increase the value of the company (Novari and Lestari, 2016). Putra and Dana, (2016), Dang et al., (2018) that, based on the results of data processing, it was found that profitability and company size had a positive and significant effect on Stock Returns. The size of the company is described by the total assets on the balance sheet. This study uses the natural logarithm of total assets to calculate firm size in telecommunications companies in Indonesia. Setyowati and Prasetyo, (2020), Diyanti and Muhadjir (2021, Firm size is the small or large scale of an industry. One of the indicators used to see how big the industry is is through total assets. This explanation is supported by research by Raningsih and Putra, (2015), Astuti et al. (2020), Lesmana et al., (2021) finding a positive effect of the debt-to-equity ratio on Stock Returns. The results of this observation agree with observations from Setiyono and Amanah, (2016). The following is the formula for Firm Size are:

$$Firm\ size\ = Ln - asset\ x\ 100\ \%$$

2.5.5 Stock Returns

Stock return is the change in the value of shares received by investors from the initial investment capital expressed as a percentage. Stock investment does not always promise a definite return, whereas if the profit is called a capital gain and if it is a loss, it is called a capital loss. One of the goals of investors investing is to get a return. Without the level of profit enjoyed from an investment, of course, investors will not invest.

According to Santoso et al., (2020) Stock Returns is the difference between the profit (loss) of the current investment price and the investment price of the previous period. Return is the income earned from an investment. If the company earns a profit, each investor is entitled to dividends by the proportion of their ownership. Total return can be calculated from the capital gain (loss) added to the yield. Capital gain (loss) is the difference in profit (loss) from the current investment price relative to the previous period's price. Meanwhile, yield is the percentage of periodic cash receipts against the investment price for a certain period from an investment Widyarini and Ridha (2019). The following is the formula for Stock Returns are:

$$R_{i,t}\ = \frac{P_{i,t} - P_{i,t-1}}{P_{i,t-1}}$$

Where:

Ri,t = Actual return i at time t

Pi,t = Share Price at time t

3. Results

3.1 The effect of Corporate Social Responsibility (CSR) on Stock Returns

Based on the results of the t-test, it shows that the probability value of the CSR variable has a t-count value of 0.0105 which is smaller than the critical probability value (α=5%) which is 0.0105 < 0.05. This shows that CSR influences Stock Returns of Telecommunication Services Companies in Indonesia. The regression coefficient of -0.108698 indicates a negative direction. Although the regression coefficient has the opposite direction to the direction of the proposed hypothesis, the prob value. < 0.05 so that the hypothesis is accepted. Based on these statistical results, the first hypothesis (H1) proposed is declared accepted.

3.2. The Effect of Profitability (ROE) on Stock Returns

Based on the results of the t-test, it shows that the probability value of the ROE variable has a t-count value of 0.0000 which is smaller than the critical probability value (α=5%) which is 0.0000 < 0.05. This shows that ROE influences Stock Returns of Telecommunication Services Companies in Indonesia. The regression coefficient of 0.221139 indicates a positive direction. The regression coefficient has the same direction as the proposed hypothesis, and the prob value. < 0.05 so that the hypothesis is accepted. Based on these statistical results, the first hypothesis (H2) proposed is declared accepted.

3.3. The Effect of Debt-to-Asset Ratio (DAR) on Stock Returns

Based on the results of the t-test, it shows that the probability value of the DAR variable has a t-count value of 0.0106 which is smaller than the critical probability value (α=5%) which is 0.0106 < 0.05. This shows that DAR influences Stock Returns of Telecommunication Services Companies in Indonesia. The regression coefficient of 0.038439 indicates a positive direction. The regression coefficient has the same direction as the proposed hypothesis, and the prob value. < 0.05 so that the hypothesis is accepted. Based on these statistical results, the first hypothesis (H3) proposed is declared accepted.

3.4. The Effect of Debt-to-Equity Ratio (DER) on Stock Returns

Based on the results of the t-test, it shows that the probability value of the DER variable has a t-count value of 0.0000 which is smaller than the critical probability value (α=5%) which is 0.0000 <0.05. This shows that DER influences Stock Returns of Telecommunication Services Companies in Indonesia. The regression coefficient of -0.007959 indicates a negative direction. Although the regression coefficient has the opposite direction to the direction of the proposed hypothesis, the prob value. <0.05 so that the hypothesis is accepted. Based on these statistical results, the first hypothesis (H4) proposed is declared accepted.

3.5. The Effect of Firm Size (SIZE) on Stock Returns

Based on the results of the t-test, it shows that the probability value of the SIZE variable has a t-count value of 0.0048 which is smaller than the critical probability value (α=5%) which is 0.0000 <0.05. This shows that SIZE influences Stock Returns of Telecommunication Services Companies in Indonesia. The regression coefficient of 0.020627 indicates a positive direction. The regression coefficient has the same direction as the proposed hypothesis, and the prob value. < 0.05 so that the hypothesis is accepted. Based on these statistical results, the first hypothesis (H5) proposed is declared accepted.

3.6. The Effect of CSR, ROE, DAR, DER, SIZE on Stock Returns

Based on the results of the f-test, it shows that the probability fcount value of 0.000000 which is smaller than the critical probability value (α=5%) which is 0.0000 <0.05. This shows that the variables CSR, ROE, DAR, DER, and SIZE simultaneously influence the stock returns of telecommunication companies in Indonesia. The F-statistic of 145.5008 shows a positive direction. The regression coefficient has the same direction as the direction of the proposed hypothesis, the prob. < 0.05 so the hypothesis is accepted. Based on these statistical results, the eighth hypothesis (H6) proposed is declared accepted.

4. Discussion

Mandasari et al., (2017); Harry (2017); Zahara et al., (2019); Santi, (2014), the results of research with multiple linear regression analysis show that Corporate Social Responsibility (CSR) has a significant positive effect on stock returns. Research conducted by Retno (2012), Dewi and Badjra (2017), Ardimas and Wardoyo (2015), Elviani and Dewi (2019), Dewi and Sanica (2017) stated that corporate social responsibility has a positive effect. Sugiyanto (2011), Cheng and Christiawan (2011), Damayanti and Soekotjo (2018), and Muid (2011) who conducted empirical testing to determine the effect of Corporate Social Responsibility on stock returns, that the CSR variable has a positive effect on stock returns.

Santoso et al., (2020) which states that, the results of the Return on Equity (ROE) research partially have a significant positive effect on stock returns. This is in line with Antara et al., (2014) research results explain that ROE has a positive and significant effect on stock returns, while Current Ratio and Assets Turnover have a negative effect on stock returns. Mayasari and Anggraini, (2016) Return on Equity (ROE) has a significant effect on stock returns of the Telecommunications sub-sector However, the results of this study contradict the results of research by Faesol et al., (2018), stated that, the results of the analysis showed that Return on Equity (ROE) partially had no effect. Vionitasari and Dura, (2020), Irawan (2021) which states that, the results of the analysis show that Return on Equity (ROE) has no effect on stock returns.

Anjani et al., (2018) The results of the study explain that DAR has a significant effect on stock return. Faesol et al., (2018), stated that the results of the analysis showed that DAR had a partially significant effect. Apriyani et al., (2021). Debt to Assets Ratio (DAR) has a positive and insignificant effect on stock returns. This result is also reinforced by research by Ristyawan (2019) and Andriani (2020); Chandra (2021) which has a positive and significant influence between solvency on stock returns.

Santoso et al., (2020) stated that the results of the Debt-to-Equity Ratio (DER) study have a significant negative effect on stock returns. Putra et al., (2016) research results show that the Debt-to-Equity ratio has a negative and insignificant effect on returns. Surahmat and Wulandari, (2019) the results of the study show that the Debt-to-Equity Ratio (DER) has a significant positive effect.

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