

**DOES CORPORATE SOCIAL RESPONSIBILITY  
MODERATE THE RELATIONSHIP BETWEEN  
GOOD CORPORATE GOVERNANCE AND FIRM  
SIZE ON STOCK PRICES?**

**THESIS**

**In order to Fulfill the Requirement for Obtaining a Bachelor's Degree**



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DOES CORPORATE SOCIAL RESPONSIBILITY CAN MODERATE THE  
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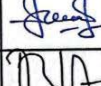
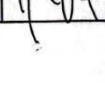
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## ACKNOWLEDGEMENT

First and foremost, I would like to express my deepest gratitude to God for His blessings and guidance. This thesis entitled “ Does Corporate Social Responsibility Moderate the Relationship Between Good Corporate Governance and Firm Size on Stock Prices? “ can be completed and has been published in a reputable international journal. In completing this thesis, I realize that this journey would not have been possible without the support, guidance, and assistance of many individuals. Therefore, with heartfelt gratitude, I would like to extend my appreciation to everyone who has contributed, directly or indirectly, to the completion of this work, including:

1. God Almighty, for the writer's strength, health, and smoothness to finish this thesis.
2. Dr. Barkah, S.E., M.Si., as Dean of the Faculty of Economics and Business Universitas Tanjungpura.
3. Dr. Nella Yantiana, S.E., M.M., Ak., CA, CMA, CPA, as Head of the Accounting Department, Faculty of Economics and Business Universitas Tanjungpura.
4. Mr. Vitriyan Espa, S.E., M.S.A., Ak., C.Ht,CA., as Secretary of the Accounting Department, Faculty of Economics and Business Universitas Tanjungpura, also my academic lecture and research supervisor for supporting, guiding and helping me since the first semester.
5. Dr. Khristina Yunita, S.E., M.S.A., Ak., C.Ht., CA, as Head of the Accounting Study Program,k Faculty of Economics and Business Universitas Tanjungpura.
6. Mrs. Ayu Puspitasari, S.Ak., M.Ak. as my research supervisor. Thank you for guiding and assisting me in writing my first article until published at a reputable journal.
7. Mrs. Umiaty Hamzani, S.E., M.Com., Ph.D., as my examiner. Thank you for all the guidance and help.
8. Mrs. Ira Grania Mustika, S.E., M.M., as my examiner. Thank you for all the guidance and help.
9. All lecturers at Universitas Tanjungpura, especially at Faculty of Economic and Business, Universitas Tanjungpura who have shared their knowledge, ideas, experiences and thoughts during every meeting and class. And also supporting me to develop my hard and soft skills by giving opportunities to join many interesting activities.
10. Both of my parents and my three brothers have supported me tirelessly by providing me everything that I need and loving me regardless of every path that walks during college.
11. My beloved friend, Prettykiw, who shares every laugh, tears, pain, joy and everything with me in my entire campus life, thank you for always being there when I need support or just a place to bring comfort.
12. International Class, especially my classmates Accounting International 2021 that helped me a lot on so many occasions in every semester. And

also my seniors and juniors who helped and accompanied me on many occasions.

13. Beswan Djarum, thank you for teaching me so many lessons and bringing a lot of joy that changed my perspective and ability.

14. And thank you also to other persons that I cannot mention one by one for help and support.

Finally I have tried optimally in writing this thesis, but I also admit that this thesis is still less than perfect. Therefore, I expect criticism and suggestions from readers. Hopefully, this thesis can be useful for readers and future researchers.

Pontianak, 6 January 2025



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**APAKAH PENGUNGKAPAN *CORPORATE SOCIAL RESPONSIBILITY*  
DAPAT MEMODERASI HUBUNGAN GCG DAN UKURAN  
PERUSAHAAN TERHADAP HARGA SAHAM ?**

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**ABSTRAK**

Pengungkapan informasi keberlanjutan perusahaan menjadi fokus pertimbangan investor. Stabilitas harga saham dipengaruhi oleh faktor internal dan eksternal, menuntut tanggung jawab atas harga saham untuk mendukung hubungan baik dengan para stakeholder. Penelitian ini menganalisis apakah pengungkapan informasi keberlanjutan melalui program CSR dapat memperkuat hubungan antara Good Corporate Governance dan Ukuran Perusahaan terhadap Harga Saham. Metode penelitian ini adalah kuantitatif dengan purposive sampling pada perusahaan sub sektor basic materials di BEI yang menerbitkan laporan keberlanjutan antara 2021-2023, menggunakan Moderated Regression Analysis. Hasil menunjukkan GCG berpengaruh signifikan terhadap Harga Saham, sementara Ukuran Perusahaan tidak berpengaruh signifikan, dan Pengungkapan CSR tidak memoderasi hubungan keduanya.

**Kata Kunci:** - Corporate Social Responsibility, Good Corporate Governance, Ukuran Perusahaan, Harga Saham

**DOES CORPORATE SOCIAL RESPONSIBILITY MODERATE THE  
RELATIONSHIP BETWEEN GOOD CORPORATE GOVERNANCE  
AND FIRM SIZE ON STOCK PRICES?**

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**ABSTRACT**

The disclosure of company sustainability information has become one of considerations for investors. The stability of a company's stock price is influenced by internal and external factors, and requires a consideration of responsibility for stock prices to maintain a good relationship between the company and its stakeholders. This study is focused on analyzing whether the disclosure of sustainability information through Corporate Social Responsibility programs can strengthen or weaken the relationship between Good Corporate Governance (GCG) and Firm Size on Stock Prices, variable measurements using the composition of independent commissioners, total assets, item of GRI standard and closing stock prices. This research adopts a quantitative approach with purposive sampling method, the sample in this research focusing on companies in the basic materials sub-sector listed on the Indonesia Stock Exchange that issued sustainability reports from 2021 to 2023. Data analysis using Multiple Linear Regression & Moderated Regression Analysis. The findings indicate that GCG significantly influences Stock Prices, while Firm Size does not significantly affect Stock Prices, and CSR Disclosure is unable to moderate their relationship. This research can assist developing financial performance measurement and reporting in accounting field and help investors assess some aspects that have an impact on predicted profits.

**Keywords:** - Corporate Social Responsibility, Firm Size, Good Corporate Governance, Stock Price



## RINGKASAN SKRIPSI

### APAKAH PENGUNGKAPAN *CORPORATE SOCIAL RESPONSIBILITY* DAPAT MEMODERASI HUBUNGAN GCG DAN UKURAN PERUSAHAAN TERHADAP HARGA SAHAM ?

#### 1. Latar Belakang dan Tujuan Penelitian

Keberlanjutan usaha menjadi isu penting yang menarik perhatian baik dalam literatur maupun media publik. Pengungkapan informasi keberlanjutan perusahaan melalui Corporate Social Responsibility (CSR) dianggap sebagai strategi bisnis jangka panjang yang tidak hanya meningkatkan citra perusahaan, tetapi juga menciptakan hubungan yang positif dengan para pemangku kepentingan. Faktor-faktor seperti Good Corporate Governance (GCG) dan ukuran perusahaan diketahui berpengaruh signifikan terhadap pengungkapan CSR dan harga saham. Industri pertambangan menjadi salah satu sektor yang memberikan perhatian besar terhadap CSR karena aktivitasnya yang berdampak langsung pada lingkungan. Regulasi seperti undang-undang juga mendorong implementasi CSR sebagai bentuk tanggung jawab sosial. Penelitian ini bertujuan untuk menganalisis pengaruh pengungkapan informasi keberlanjutan terhadap harga saham dengan fokus pada sektor industri material dasar, guna memberikan wawasan bagi investor yang peduli terhadap isu lingkungan sekaligus berorientasi pada keuntungan investasi.

#### 2. Metode Penelitian

Penelitian ini menggunakan metode kuantitatif dengan fokus pada analisis statistik untuk menguji hubungan antar variabel dan menguji hipotesis. Selain itu, metode *content analysis* digunakan untuk mengkuantifikasikan data kualitatif pada variabel Komisaris Independen. Variabel yang dianalisis meliputi Good Corporate Governance (GCG) dan Ukuran Perusahaan sebagai variabel independen, CSR Disclosure sebagai variabel moderasi, serta Harga Saham sebagai variabel dependen. Data yang digunakan dalam penelitian ini adalah data sekunder yang diperoleh dari laporan tahunan dan keberlanjutan perusahaan pada sub sektor *basic materials* yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2021-2023. Sampel penelitian dipilih menggunakan metode *purposive sampling* berdasarkan kriteria tertentu, menghasilkan 13 perusahaan yang memenuhi syarat.

#### 3. Hasil dan Pembahasan

Hasil penelitian menunjukkan bahwa Good Corporate Governance (GCG) memiliki pengaruh signifikan namun negatif terhadap harga saham. Sementara itu, Ukuran Perusahaan tidak menunjukkan pengaruh signifikan terhadap harga saham. Pengujian moderasi menunjukkan bahwa CSR Disclosure belum mampu memoderasi hubungan antara GCG atau Ukuran Perusahaan dengan harga saham. Hasil ini mengindikasikan bahwa variabel moderasi belum memiliki peran yang kuat dalam mempengaruhi hubungan antar variabel penelitian. Secara keseluruhan, model penelitian dinyatakan fit dengan variabel independen yang mampu menjelaskan fenomena terkait harga saham pada perusahaan sub sektor *basic materials* di Bursa Efek Indonesia periode 2021–2023.

#### 4. Kesimpulan

Penelitian ini menemukan bahwa Good Corporate Governance (GCG) berpengaruh signifikan terhadap harga saham, namun pengaruh tersebut tidak dimoderasi oleh CSR Disclosure. Sementara itu, Ukuran Perusahaan dan CSR Disclosure tidak memiliki pengaruh langsung terhadap harga saham. Dengan demikian, tindakan CSR pada perusahaan yang diteliti tidak mempengaruhi harga saham selama periode 2021–2023.

## **THESIS SUMMARY**

### **DOES CORPORATE SOCIAL RESPONSIBILITY MODERATE THE RELATIONSHIP BETWEEN GOOD CORPORATE GOVERNANCE AND FIRM SIZE ON STOCK PRICES?**

#### **1. Introduction and Research Purposes**

Business sustainability has become a key issue, Corporate Social Responsibility (CSR) plays a significant role in addressing environmental and social concerns, fostering transparency, and enhancing stakeholder relationships. This research focuses on analyzing the impact of Good Corporate Governance (GCG) and Firm Size on Share Prices, with CSR Disclosure as a moderating variable. While prior studies primarily explored the influence of CSR on company value, this study examines its role in stock price movements, particularly in the basic materials sector. This sector, known for its environmental impact, highlights the need for CSR to mediate community relations and maintain corporate image. The study aims to determine whether CSR Disclosure enhances the relationship between GCG, Firm Size, and Share Prices, providing insights for investors who prioritize sustainability while seeking profitable investments. Furthermore, the research contributes to advancing accounting practices, reporting standards, and methodological approaches, enriching the understanding of CSR's role in corporate sustainability.

#### **2. Research Methods**

This study employs a quantitative approach with a focus on statistical analysis to examine the relationships between variables and test hypotheses. Additionally, content analysis is used to quantify qualitative data related to the Independent Commissioners variable. The variables analyzed include Good Corporate Governance (GCG) and Firm Size as independent variables, CSR Disclosure as a moderating variable, and Share Price as the dependent variable. The data used in this research is secondary data obtained from annual and sustainability reports of companies in the basic materials sector listed on the Indonesia Stock Exchange (IDX) for the period 2021-2023. The research sample is selected using purposive sampling based on specific criteria, resulting in 13 companies that meet the requirements.

#### **3. Results and Discussion**

The results of this study show that Good Corporate Governance (GCG) and Firm Size, with CSR Disclosure as a moderator, can influence stock prices in companies listed in the basic materials sub-sector on the Indonesia Stock Exchange. GCG has a significant negative impact on stock prices, suggesting that transparency and compliance costs may reduce short-term stock value, which contrasts with some prior studies. Firm Size, however, does not significantly affect stock prices. Additionally, CSR Disclosure does not moderate the relationship between GCG or Firm Size and stock prices, indicating that other factors such as financial performance or market conditions may play a more prominent role. These findings highlight the importance of GCG on stock prices

and suggest that CSR Disclosure's impact on sustainability and stock performance warrants further investigation.

#### **4. Conclusion**

This study found that Good Corporate Governance (GCG) significantly affects stock prices, but this effect is not moderated by CSR Disclosure. Meanwhile, Firm Size and CSR Disclosure do not have a direct impact on stock prices. Therefore, CSR activities in the companies studied did not influence stock prices during the period of 2021–2023.

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## CHAPTER 1

### INTRODUCTION

#### 1.1. Background

Business sustainability is a frequent issue that is discussed both in literature studies and other public information media. The urgency regarding measuring aspects of business sustainability based on financial and non-financial indicators provides various results, some of the results showing that several factors can maximize relationships in creating perceptions related to business sustainability decisions. Environmental impact is one of the focuses in the context of business sustainability which is also a concern for stakeholders through an activity which are often called Corporate Social Responsibility (CSR) that is a voluntary effort carried out by companies to strengthen attention and engagement to issues which influence social and environmental problems that involved in their business operations, as well as an active interacting with the stakeholders involved (Yovana & Kadir, 2020).

Companies need to build strong relationship with various aspects of their business environment and are expected to not only profits oriented but also be able to develop positive relationships with human and natural resources involved while supporting their business processes (Saragih & Sembiring, 2019), in study by (Harahap,2006) in (Harahap,2006) explains that CSR efforts as one of business strategy related to sustainability over a longer period and do not have a single definition, generally entities disclose their CSR program in a report. CSR disclosure is influenced by various conditions that arise because companies require good internal control. Implementing Good Corporate Governance optimally consistently is expected to increase management transparency to stakeholders while building the economic growth that can give benefits to many parties involved (Listyaningsih *et al.*, 2018). Besides good internal control, several other factors can also influence CSR disclosure (Yuliawati & Sukirman, 2018), including firm size, where firm size can be analyzed through the

profitability of a company, the higher the profitability results by the company, the more it will contribute to CSR program that implemented ( Monsuru *et al.*, 2014) and (R. Aprilyani Dewi *et al.*, 2021) both in the form of operational efficiency, product innovation, and strengthening marketing strategies. Disclosure of company CSR information in company reports will creating positive image that can attract investor because company shows long-term financial performance and protects investors from perceived risk because the company shows concern regarding to the economic and environmental issues in its business line (Sulaiman & Punawan, 2017) so defined that CSR disclosure itself also has a relationship with the company's share price.

Attention regarding the disclosure of CSR information has made various business sectors in Indonesia implement this program as one of the competitive strategy because investors are currently paying attention to the social and economic impact by company's business activities on the surrounding environment, as is the case in the mining industry that being a part of research field focus in basic material sub-sector, business activities of this industry are related to the large-scale extraction of natural resources (Setiawan *et al.*, 2018) state that the mining industry often experiences conflicts with the community regarding its operational activities and impacts so that mediation efforts can be carried out through CSR activities. The role of CSR activities in this sector can be a bridge between companies and the community to improve social conditions around company activities related with operation areas so that the company's image can be maintained and increase company value. Companies that carry out CSR well can build a strong reputation, and increase investor trust so can be expected to positively influence stock prices.

Implementation of CSR activities is an urge to fulfill responsibilities under Law no. 7 of 2007 concerning limited liability companies, which carry out social responsibility activities for environmental damage which are analyzed based on the AMDAL ( Environmental Impact Analysis ) of each company with permission from the government (Limbong, 2019). Some industries have a strong relationship with environmental damage due to business activities carried out,

such as the mining, chemistry, metal or building materials industry, but if seeing at the profits and stability of this industry, investors will be interested to consider their investment decisions, but because the industry risks must be taken into account, investors will see how the stability of share prices reflects by their business. Companies maintain relationships with investors by disclosing information about sustainability and good governance in the business environment so this research aims to analyze whether the factor of disclosing information about corporate sustainability can have a large or small impact on factors related to share prices (Utomo, 2019).

An analysis of factors that can cause changes in share prices in this research examine with the influence of Good Corporate Governance and Firm Size, where GCG is described by independent commissioners has a significant influence on Share Prices and also CSR Disclosure (Chusaeri *et al.*, 2019) and Firm Size. illustrated by total assets having a significant influence on share prices and CSR disclosure (Bungsu *et al.*, 2023), this research is expected to be able to provide new gap regarding the relationship if disclosure of company sustainability information can help increase competitiveness in the perspective of investors through share prices presented, in this research uses proxies for GCG and Firm Size on Share Prices, whereas many studies that have been carried out more focus on the company value created by CSR Disclosures, this research also want to examine samples in the basic materials industry which consists of various company with operational activities related to social and environmental so that in the end this research is expected to assist investors who are concerned about environmental issues can still focus on the profits obtained when investing based on an analysis of what things influence share prices whether is environmental based or not. Apart from that, the findings of this research can encourage the development of reporting standards, internal control practices so it can be more comprehensive, a better understanding of investors, and more advanced methodological research in the field of accounting, in the end enriching understanding of the role of accounting in corporate social responsibility.

## **1.2. Research Problem**

Based on the research background above, the problem formulation can be drawn as follows:

1. Does Good Corporate Governance affect Share Prices on the mining industry companies ?
2. Does Firm Size affect Share Prices on the mining industry companies ?
3. Does Corporate Social Responsibility have an effect on the relationship between GCG on Stock Prices ?
4. Does Corporate Social Responsibility have an effect on the relationship between GCG on Stock Prices ?

## **1.3. Research Objectives**

Based on the research problem formulation above, the aim of this research is :

1. To examine the effect of Good Corporate Governance towards Share Prices on the mining industry companies.
2. To examine the effect of Firm Size towards Share Prices on the mining industry companies.
3. To examine the effect of Corporate Social Responsibility on relationship GCG towards Share Prices.
4. To examine the effect of Corporate Social Responsibility on relationship GCG towards Share Prices.

## **1.4. Research Contribution**

### **1.4.1 Theoretical Contribution**

This research contributes to the development of theoretical frameworks in corporate governance and sustainability reporting by emphasizing the limited moderating role of CSR Disclosure in the relationship between GCG and stock prices. Unlike previous studies that predominantly highlight the positive influence of CSR on financial performance, this study provides evidence that CSR activities may not directly affect stock prices in certain industries like the mining industry, within a specific period. The findings support Stakeholder Theory by illustrating

that the costs associated with GCG implementation and compliance might outweigh immediate financial benefits. Additionally, this study encourages further exploration of industry-specific and temporal factors influencing the relationship between governance, sustainability efforts, and financial outcomes.

#### **1.4.2 Practical Contribution**

a. For Student

This research enhances students' understanding of how CSR practices can influence financial outcomes, particularly in the context of the basic materials sector, equipping them with practical knowledge they can apply in their future careers in business, finance, and sustainability.

b. For Companies

Companies, especially in sectors with significant environmental impact, can leverage CSR disclosures as a strategic tool to enhance their reputation and attract socially responsible investors, thereby potentially improving their market performance and stakeholder trust.

c. For Academic Environment

This study contributes to the academic field by introducing CSR as a moderating variable in the relationship between corporate governance, firm size, and share prices, offering a new methodological approach for future research on the impact of CSR on business sustainability and financial performance.

#### **1.5. Contextual Overview of Research**

Business sustainability is increasingly discussed, focusing on both financial and non-financial indicators. A key aspect of sustainability is Corporate Social Responsibility (CSR), which addresses social and environmental issues while building relationships with stakeholders. Companies are expected not only to seek profits but also to foster positive relationships with human and natural resources. Effective Good Corporate Governance (GCG) and Firm Size play a role in enhancing CSR disclosures, which can influence a company's reputation and investor confidence. CSR disclosure, especially in industries like mining with

significant environmental impact, can improve a company's image and stock prices by showcasing commitment to sustainability. This research aims to explore how CSR Disclosure, GCG, and Firm Size impact Share Prices in the sector by analyzing companies that published financial reports and sustainability reports from 2021-2023. By examining these factors, the study provides insights for investors balancing sustainability concerns with profitability. Additionally, it contributes to the development of better reporting standards and internal control practices.