ANALYSIS ON THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPANY FUNDAMENTAL FACTOR TOWARD STOCK RETURN (STUDY ON RETAIL INDUSTRY REGISTERED IN INDONESIA STOCK EXCHANGE

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ABSTRACT

The abstract of this research studied the role of Corporate Social Responsibility on company fundamental factor. Signaling theory and stakeholder theory are used as the theoritical framework. By using purposive sampling theory, the sample covers 19 companies of 23 sub sector retail commerce companies in ISE in Indonesia. The research result shows that fundamental variable that is Return on Equity (ROE) and Earnings per Share (EPS) partially influence significantly on the stock return. Profitability, in this case measured by ROE often catches the attention of the investors since it represents the performance of the management. Investors think that the higher ROE, the better company performance so that it can influence the stock return, EPS influences positively and significantly since for investors the higher EPS implies the ability of company in making earnings in the future. Meanwhile, Price Earnings Ratio (PER), Price Book Value (PBV) and Debt to Equity Ratio partially do not influence. The study result also shows that Corporate Social Responsibility (CSR) variable can attentuate Return on Equity (ROE) toward Stock Return in Retail Company in 2012 – 2016 in the significant level 5%.

Keywords: Corporate Social Responsibility, Debt to Equity Ratio, Return on Equity, Earning per Share, Price Earnings Ratio and Price Book Value,.

1. INTRODUCTION

Company performance is a reflection of management decision in managing the company. One of the concepts used to analyze company performance is fundamental analysis. The analysis of financial fundamental factor is done by the company registered in the capital market. The financial information of a public company influences the stock price in the capital market and any factors or variables that become the indicators so the goal to increase the company value through the increase numbers of stock being commercialized in the capital market can be achieved. This also influences the decision of the investors in investing.

Capital market becomes the important part for national economics growth since the capital market condition of a country is good, meaning the growth of stock price is relatively good then it can be said the country's economics is also good. Through the capital market investors invest their capital through the purchasing of security. Before deciding an investement, investor and prospective investor initially will analyze the investment then choose the alternate investment which is most profitable. Investment decision made by the investor and prospective investor is generally made by considering the risk of the investment and also the return received in the future. According to Ang (1997) the better the performance of company finance reflected from its ratio, the higher the company share return. Similarly, when the economic condition is good, the reflection of stock market will also good.

This research chose the retail companies and registered in ISR as the research object because retail company is an important part in economics life of a country, especially in the goods and service distribution process from the producer to the consumers. Retail company also becomes the mediator between the manufacturer company or producers and wholesaler or merchant with the final level consumer Bernans (2002).

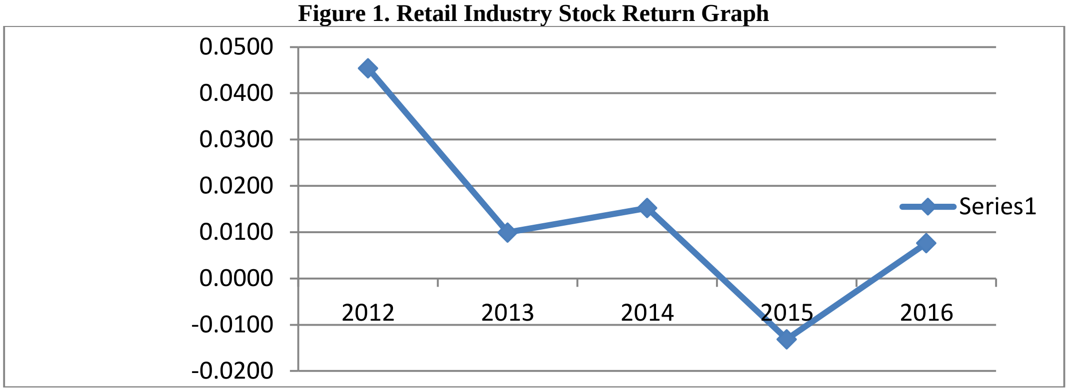
Stock return is the consideration seen by the investors in making an investment, retail company data return from 2012 to 2016 can be seen in the table below.

Table 1. Retail Industry Stock Return

Year	2012	2013	2014	2015	2016
Return	0,0454	0,0100	0,0152	-0,0131	0,0076

From Table 1 it can be seen the complete phenomenon in the movement of the retail industry stock return has a decline from 2012 to 2016. The return decline happened in 2015 was the lowest point of -0,0131.

Figure 1. Retail Industry Stock Return Graph



Source: Yahoo Finance, accessed in July 2017 (data processed)

From figure 1, it can be seen a complete phenomenon on the retail industry stock return movement had a decline from 2012 to 2016. The lowest decline return happened in 2015.

From the phenomenon above, some researches of finance fundamental factor influence on the stock return was done by Arista and Desi (2012), Inung (2009) in their research Analysis of Fundamental Information Influence toward Stock Return. I Gusti Ayu (2014) studied The Influence of Fundamental and Macro Economics toward Stock Return, while Juwita (2015) studied The Fundamental Influence toward Stock Return by using financial ratio analysis Return on Asset (ROA), Debt to equity Ratio (DER), Price to Book Value (PBV) to measure company fundamental factor. Asbi Rahman (2008) studied fundamental influence and market capitalism value toward stock return. The fundamental influence used financial ratio analysis Return on Asset (ROA), Prive Book Value (PBV), Debt to Equity Ratio (DER) and Net Profit Margin (NPM). Bias and Ayu also examined the influence of fundamental factors on stock returns.

The results of research on the factors that influence stock returns currently still have different results, such as the research of Andes and Puspitaningtyas (2017) in their research, which states that total assets turn over and Return on Assets have a significant effect on stock returns. Septiana and Wahyuatuti (2016) in their research stated that fundamental factors do not have a significant effect on stock returns, so they are not consistent with the results of previous research regarding fundamental factors on stock returns, thus motivating researchers to conduct research again on the influence of fundamental factors on stock returns. The difference between this study and the previous one is that researchers include CSR as a moderating variable

CSR according to World Business Council on Sustainable Development is a commitment from the business/company to behave ethically and contribute to the sustainable economics growth while increasing the life quality of the employees and their family, local communities and society. CSR is the consequence of decision or activities impact made by the company so that it is the obligation of the company to reverse the society condition influenced by the impact to a better condition (Prastowo and Huda 2011).

Research on the role of CSR is important in Indonesia where currently all industrial sectors claim to have carried out their social obligations to the environment known as Corporate Social Responsibility as a motivation to increase public confidence in the achievement of efforts to improve the environment around the company. This study tries to see the role of CSR in moderating fundamental factors on stock returns

Furthermore, CSR is used as a moderating variable in this study since CSR is a measuring tool to determine the company performance as the company success in making profit will influence the stock return that cannot be done without the concern to the society and the applicable laws and it is better if the activity earns some profit, it should be related to the development of the surrounding society and sustainable development so that it can be understood that the social responsibility of the company is a company duty to obey the company rules.

From that investor needs various information that can be the signal to measure the prospect of the company by analyzing financial report with financial ratio. Investor will do investment activity. The first thing considered is the return level, investment in form of stock then the one calculated is dividend or capital gain received. The investors or prospective investors have main objective in increasing their welfare that is by expecting return in form of dividend or capital gain (Damayanty and Achyani, 2006).

2. LITERATURE AND HYPOTHESIS REVIEW

2.1 Signalling Theory

According to Brigham and Houston (2011) signal is an action taken by a company to direct investor on how the management sees the company prospect. This signal is an informationon what the management done in realizing the expectation of the owner. Information issued by the company is an important thing due to its influence toward investment decision of the other party. The information is important to the investor and business practitioner since information, essentially provides the explanation, notes or descriptions, either for the past, the present of the future for the company's life sustainability and how the effect to the company, Eugene (2001)

Signaling Theory explains why companies have the urge to provide financial statement information to external parties. The encouragement of companies to provide information is because there is information asymmetry between the company and outside parties because the company knows more about the company and the prospects that will come from outside parties (investors and creditors). Lack of information for outsiders about the company causes them to protect themselves by charging the company low prices. Companies can increase company value by reducing asymmetric information. One way to reduce asymmetric information. One way to reduce asymmetric information is to provide a signal to outsiders Zaenal Arifin (2005)
Signaling theory has a very big relationship with the availability of information. Financial reports can be used to make decisions for investors, financial reports are the most important part of a company's fundamental analysis

2.2 Stakeholder Theory
Friedman (1984) defines stakeholder as a group or individual that can influence and/or is influenced by a certain achievement. Biset, in short, defines stakeholders as people with an interest or attention on problems. Grimble and Wellard (1996) see stakeholders from the important view and influence they have. From those definition it can be concluded that stakeholders are a correlation of a certain interest.

The basic premise of stakeholder theory is that the stronger the corporate relationship, the better the corporate business. Conversely, the worse the corporate relationship, the more difficult it will be. Strong relationships with stakeholders are based on trust, respect and cooperation. Stakeholder theory is a strategic management concept, the goal of which is to help corporations strengthen relationships with external groups and develop competitive advantage. Mardikanto (2014).

It is revealed that the social environment of the company is a successful means for companies to negotiate relationships with their stakeholders. Based on stakeholder theory assumptions, companies cannot escape from the social environment. Companies need to maintain stakeholder legitimacy and place them in the framework of policy and decision making, so that they can support the achievement of company goals.

2.3 Fundamental Factor Analysis
Fundamental analysis looks at the company's financial fundamentals, such as: financial ratios, cash flow and company revenue. Ratio analysis is used to reveal important relationships and maintain the basis of comparison in finding conditions and trends that are difficult to detect by studying each component of the ratio. Real business practices apply financial ratio analysis as one of the financial analysis models even though its relevance is subject to dependence on the objectives and interests of each analysis. According to Ang (1997) there are several ratios used to assess the performance of a company's financial statements, such as Return on Assets (ROA), Return on Equity (ROE), Earning per Share (EPS), Price Earnings Ratio (PER), Operating Profit Margin. (OPM) and Book Value (BV).3 Hypotheses Discussion. This study was held to discover the role of company Corporate Social Responsibility. Financial fundamental factor used is company financial ratio that are Return on Equity (ROE), Earning per Share (EPS), Price Earning Ration (PER), Debt to Equity Ratio (DER), Book Volume (BV).

2.4 Disclosure of Corporate Social Responsibility
Definition of Corporate Social Responsibility (CSR) According to The World Business Council for Sustainable Development (WBCSD), Corporate Social Responsibility or corporate social responsibility is defined as a business commitment to contribute to sustainable economic development, through collaboration with employees and their representatives, their families, the local community and the general public to improve the quality of life in ways that are beneficial to both their own business and for development.

In Indonesia, CSR disclosure is regulated in the Limited Liability Company Law No.40 of 2007 in article 66 paragraph (2) which states that all companies are required to report the implementation of this responsibility in an annual report. Therefore companies are required to implement CSR in their work programs and disclose CSR in the company's annual report. By disclosing the company's CSR, it will not get the direct profit or profit that is expected from this activity, which is a benefit in the form of corporate image.

The CSR disclosure standards that have developed in Indonesia refer to the standards applied by the GRI (Global Reporting Initiative). The GRI standard was chosen because it focuses more on disclosure standards as a company's economic, social and environmental performance with the aim of improving the quality and utilization of sustainability reporting. Currently, the latest version of GRI, namely G4, has been widely used by companies in Indonesia. The GRI-G4 provides a globally relevant framework to support a standardized approach to reporting that promotes the level of transparency and consistency needed to make the information conveyed useful and trustworthy by the market and society. The features in GRI-G4 make the manual easier to use both for experienced reporters and for those new to sustainability reporting in any sector supported by other GRI materials and services (www.globalreporting.org).

The GRI-G4 standard is divided into three main components, namely economic, environmental and social. Social categories include human rights, labor practices and the work environment, product responsibility and society. The total indicators contained in GRI reached 91 items. In this study, the total indicators of social categories were 48 items.

2.3 Hypothesis Discussion

This research was conducted to determine the role of the company's Corporate Social Responsibility. The financial fundamental factors used are the company's financial ratios, namely Return on Equity (ROE), Earning per Share (EPS), Price Earning Ration (PER), Debt to Equity Ratio (DER), Book Volume (BV).

2.3.1 The Influence of Profitability toward Stock Return

In measuring company profitability level, return on equity will be used. Return on equity explains net profit achieved by every equity. The more ROE it means company will better in increasing the stakeholder prosperity that can be achieved from every share so that it can be said that ROE has positive co efficient to the stakeholders.

Sutriani (2014) in the research The Influence of Profitability, Leverage and Liquidity toward Stock Return and Santoso (2013) in his research of The Influence of Return on Asset, Return on Equity and Earnings Per share toward Stock Return in Food and Beverages Sector shows that ROE positively and significantly influences the stock return.

Profitability ratio has positive coefficient toward stock price. From several researches on profitability level that used ROE as the variable, a hypothesis on profitability is created.
H1: Return on Equity (ROE) influences stock return

2.3.2 The Influence of Market Value toward Stock Return

Significant ratio toward market value is Earnings Per Share and Price Earnings Ratio. Juwita (2013) held an evaluation on the influence of EPS toward stock price and found that EPS variable has positive coeeficient and tend to influence stock return of non bank company LQ 45 between 2010 – 2012 and showed that PER positively and significantly influences the stock return. The evaluation om Earnings Per Share was also done by Anggarini (2014) on the manufacturer company. This research concludes that Earnings Per Share positively and significantly influences stock return. Price Book Value (PBV) is a market ratio used to measure the performance of of stock market toward its book value. Rendra & Sri (2015) has an evaluation on the impact of PBV toward stock return and the research found that PBV variable positively influences the stock return.

From several researches on market value rate by using EPS, PER and PBV as the variables, it can be formed a hypothesis on market value rate.

H2: Earning Per Share (EPS) influences Stock Return
H3: Price Earnings Ratio (PER) influences Stock Return
H4: Price Book Value (PBV) influences Stock Return

2.3.3 The Influence of Leverage toward Stock Return

In measuring company leverage, it will be used debt to equity ratio. Debt to Equity Ratio describes the comparison between total debt and total capital. The higher DER shows that business capital structure uses debts on the capital. DER value that is too high will cause doubt on the creditor to the company solvability but if the value of DER is too low it can cause worriness to the investor on the capital invested. When the DER ratio is high it will show the company financial performance that will influence the stock price, the increase and decrease will influence the stock return achieved. Coefficient DER to stock price can be equal positive or negative. According to Sugi Hapmi Delima (2005) in the research The Influence of Debt to Equity Ratio toward Stock Return of Food and Beverage registered in ISE concludes DER influences negatively and significantly to stock return.

From several researches on leverage level by using debt to equity ratio as variable, a hypothesis on company leverage level can be made.

H5: Company DER influences Stock Return

2.3.4 The Influence of Profitability toward Stock Return with Corporate Social Responsibility as the Moderator

Corporate social responsibility is a form of environment, social and economics performance revevelation that are existed in company annual financial report by using revelation percentage index measured by calculation formula Corporate social disclosure based on GRI (Global Reporting Initiative.

Financial fundamental factor used is company financial ratio that are Return on Equity (ROE), Earning per Share (EPS), Price Earning Ration (PER), Debt to Equity Ratio (DER), Fundamental factor influences significantly on the stock return. Significant systematical risk to stock return is positive. The reasearch of Wijaya (2015) on the Influence of Financial Performance toward Company Value with CSR as Moderator Variable concludes that CSR can moderate the performance influence to company value. Based on the explanation above, a hypothesis can be concluded as follow:

H6: Return on Equity (ROE) influences stock market when moderated by Corporate Social Responsibility (CSR)

4. METHOD

4.1 Population and Research Sample

This research uses secondary data taken from many sources of references, that is by studying various literatures or documents related closely to the research problem, either in form of articles and scientific literature or report data, data source one of those derived from ICMD (Indonesia Capital Market Directory), Indonesia Stock Exchange (www.idx.co.id). From the industrial company population registered, samples are chosen by using purposively sampling. The sampling criteria are as follow:

1. Registered as a retail company and publish financial reports and annual reports for the period from January 1, 2012 to December 31, 2016. This is intended for sustainable data.
2. Companies that publish complete data from 2012 to 2016 relating to the fundamental variable, CSR. This is intended for data completeness.
3. All required financial data is available

From the purposive sampling criteria above, the number of samples in accordance with the requirements was obtained, namely 19 companies. In the research period 2012 to 2016, thus, 95 data were obtained in this study, as follows

Table 2. Numbers of Population and Retail Company Sample

NO	DESCRIPTION	NUMBER OF COMPANIES
1	Retail companies registered in ISE (research population) in 2016	25
3	Companies fulfilled the sampling determination criteria	19
4	Number of data in the research period (number of company x 5 years of research periods)	95

Source: Stock Exchange Data processed in 2018

4.2 Data Collection Methods

This research in collecting the required data using the documentation method, by taking secondary data in the form of data sourced from the financial statements of retail companies listed on the Indonesia Stock Exchange (IDX) for the period 2012 to 2016.

4.3 Operational variables

For analysis research financial fundamental factor influence to stock retusrn Y dependent variable is stock proce, independent variable (X1) are ROE, PER, BV and DER, moderating variable (X2) CSR.

Table 3. Operational and Indicator Variable Definition

Category	Variable Name	Variable Definition	Measurement
	Stock Return	Profit achieved from investor share ownership on investment made	<u>Price on t-price previously</u> Price in previous time Corado and Jodan (2000)
Leverage Level	Debt Equity Ratio	Ratio to measure company ability in fulfilling its obligation with capital owned	<u>Total Liabilities</u> Total Equity Brigham and Houston (2011)
Profitability Level	Return On Equity	This ratio measures company ability to gain profit from their own capital.	<u>Net Income</u> Equity Brigham and Houston (2011)
Market Value Level	Price Earnings Ratio	This ratio shows the amount of IDR company earnings and can be seen as company size to achieve profit in the future	*Market Price <u>per share</u>* *Outstanding Share* Bodie et.al (2014)
	Price Book Value	Market price of share piece is compared with capital value of share piece	<u>Share Price</u> *Book Value* Bodie et.al (2014)

Source: Corado and Jodan (2000), Brigham and Houston (2011), Bodie et.al, (2014)

The result of regression analysis is in form of coefficient for each independent equation as follow:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X2{*}M + e$$

Multiplication variable between fundamental analysis (X1), Systemic Risk (X2), and CSR (X3) are moderating variable since describing the influence moderating variable CSR (X3) toward fundamental variable, systemic risk toward Stock Return (Y).

5. HYPOTHESIS TEST RESULT AND DISCUSSIONS

Statistic descriptive data in this research can be seen as follow:

Table 4. Descriptive Statistics Variable

Variabel	N	Minimum	Maximum	Mean
ROE	95	0,01	6.35	1.02334
EPS	95	0,00	6.00	1.34955
PER	95	1.26	6.84	0,92946
PBV	95	0,01	5.49	0,96630
DER	95	0,01	2.84	0,57242
Stock Return	95	0,00	5.73	1.39276
CSR	95	0,00	3.99	0,78799

Source: Secondary data processed

Notes: ROE: Return on Equity, EPS: Earning per Share, PER: Price Earning Ratio, PBV: Price Book Value, DER: Debt to Equity Ratio, CSR: Corporate Sosial Responsibility

Companies in retail industry in observation period from 2012 – 2016 have ROE value about 2.1913. Among the companies some have minimum value of 0,01, while others have maximum ROE value of 6.35.

Stock Return average value is 2.7537. Among the companies, there are some minimum value of 0,00, while some others have maximum stock return value of 5,73. CSR average rate is 0,78799. Among the companies there are some with minimum value of 0,00, while others have maximum CSR value of 3.99.

4.1 Hypothesis Test Result

Based on data in regression model with independent and dependent variables by using SPSS version 21, double regression analysis result is achieved with the details as follow:

4.1.1 F Test Result

Based on data process using SPSS, F test result (simultaneous) is achieved as follow:

Table 5 F Test Result
ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	3.368	6	.561	4.472	.001
Residual	10.920	87	.126		
Total	14.287	93			

a. Predictors:(Constant), Ln ROE*CSR, Ln ROE, Ln DER, Ln PBV, Ln EPS, Ln PER
b. Dependent Variable: Ln Stock Return

From the output in Table 5 above it can be discovered that simultaneously independent variable has significant influence -+-4 dependent variable. It can be proved from F count 4,472 with significant value of 0,001. Since profitability is less than 0,05 or 5%, regression model can be used to predict stock return price.

4.1.2 T Test Result

Based on data process by using SPSS, t test result is achieved (partial) as follow:

Table 6. T Test Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.311	.297		1.047	.298
ROE	.177	.053	.381	3.357	.001
EPS	.195	.098	.241	1.996	.049
PER	.274	.174	.192	1.574	.119
PBV	-.007	.038	-.021	-.198	.844
DER	-.056	.037	-.154	-1.520	.132
ROE*CSR	.054	.043	.119	1.251	.014

Source: Data processed
Notes: ROE: Return on Equity, EPS: Earning per Share, PER: Price Earning Ratio, PBV: Price Book Value, DER: Debt to Equity Ratio, CSR: Corporate Sosial Responsibility

From the SPSS output above it can be discovered that there are two independent variables. They are ROE and EPS with each of 0,001, 0,049. It is caused by significant value of t ROE variable and EPS is lower from the significant level of 0,05, while significant EPS variable is 0,001, EPS significant in 0,049, while in three other variables PER, PBV and DER do not influence significantly with value each 0,119, 0,844 and 0,132 higher than significant level 0,05.

4.2 Determination Coefficient Test
Based on data processed by using SPSS, determination coefficient result is achieved (R2) as follow:

Table 7. Partial Determination Coefficient between ROE and Stock Retuen Retail Industry

Mode	R	R Square	Adjusted R Square	Std.Error of the Estimate	Durbin-Watson
1	.402	.162	.153	.36000	2.330

a. Predictor: (constant), Ln ROE
b. Dependen Variable: Ln Stock Return

From the SPSS output result in Table 7 above it can be seen that the calculation result of determination coefficient value (R2) is in partial number between ROE with Stock Return about 16,20%, the remaining is 83,8% influenced by other factor out of research model used.

Table 8. Partial Determination Coefficient between ROE and Stock Return Retail Industry

Mode	R	R Square	Adjusted R Square	Std.Error of the Estimate	Durbin-Watson
1	.485	.236	.183	.35428	2.281

a. Predictor: (constant), Ln ROE*CSR, Ln ROE, Ln DER,Ln PBV,Ln EPS,Ln PER
b. Dependent Variable: Ln Stock Return

From Table 8 above, it is shown that the influence of independent variables such as ROE, EPS, PBV, DER, PER, toward independent variable stock return moderated by CSR in this equation is 18,3%, the remaining of 81,7% is influenced by other factors not included in the regression model.

By comparing determination coefficient above the result is ROE variable is a quasi-moderator variable.

4.3 Discussion

4.3.1 The Influence of Return on Equity (ROE) to Stock Return
Return on Equity (ROE) partially influences stock return significantly. The result is consistent with the research of Andreas (2005) and supported by the research of Saniman Widodo (2009), this research result is not consistent with the research of Susilowati (2011) stated that ROE does not have any significant relation with stock return. Susilowati (2006) signaling theory gives information of the company activities to the stakeholders on the company future return.

Signal theory discusses management success and management failure passed on to the owners of capital. The submission of financial statements is considered a signal that means whether management is working according to a predetermined contract or not. Signal theory can also predict increased returns which will provide signals about long-term and short-term earnings and analysis that reveals these signals is used to predict long-term earnings. Profitability affects stock demand and has an impact on stock prices and in the end investors will enjoy capital gains that are reflected in stock returns. Profitability is often a concern of investors because it represents management performance, and many studies in finance have produced models of the relationship between profitability and firm value. While the value of the company is represented by the stock price in the market, the better the company value, the higher the stock price, and of course it will affect the stock return. Harmono (2014) shows that the dimension of profitability in good conditions will have a positive influence on investors' decisions in the capital market to invest their money in the form of capital participation.

Profitability often becomes the attention of investors since it represents the management performance and many researches in financial sector that creates profitability relation model toward company value. Harmono (2014) casualty relationship shows profitability dimension in good condition will give positive influence to the investor decision in the stock market to invest their money in form of capital participation. The higher ROE means the better company performance and will impact on the stock returns, it agrees with Signaling Theory that any actions taken by the company to give clues to the investors on the company future, Brigham and Houston (2011).

4.3.2 The Influence of Earning Per Share (EPS) toward Stock Returns

Earnings Per Share (EPS) partially influences stock return significantly. This research is consistent with the research of Saniman (2007) that generates EPS research significantly influences Stock Returns. This research is also supported by the research of Hanani (2011) that EPS influences stock return. This research result is not consistent with the research of Elizar (2013) in the research generates EPS that negatively influences not significant against the theory.

For investor, the higher EPS describes the company ability in making better earnings in the future so that a high EPS has a significant relation to the stock returns. It agrees with the Signaling Theory that information revealed by the company will be important for the investors for the information in the past, present and future for the company life sustainability Eugene (2001).

4.3.3 The Influence of Price Earning Ratio (PER) toward Stock Returns

In this research, PER influences but not significantly since the increase stock price will not always influence stock rerturns so that it cannot influence the profit achieved by the investors because there are other factors influence stock returns out of company fundamental factor. Elizar (2013) fundamental factor is a factor related with the public company performance, while market factor relates with the stock performance. If company ability in making profit increases, it will influence the stock price which does not mean it will be followed by the increase of stock returns.

The high PER does not attract investors since the possibility to gain capital gain/stock returns will be smaller so it shows negative relation in this research between PER and stock returns negative but not significant.

4.3.4 The Influence of Price Book Value (PBV) toward Stock Returns

Price Book Value (PBV) partially does not influence stock returns significantly. This research result is not consistent with the research of Widodo (2007) that stated PBV significantly influences stock returns. Jogiyanto (2003) stated for investors, the ratio of Price to Book Value of a company will be the consideration to determine a strategy run by a company.

In this research PBV does not significantly influence the stock returns since the investors are not interested to see the PBV ratio. Investors does not make PBV as a consideration in buying stock but they are more interested in other factor such as profitability ratio, not to Book Value that gives more descriptions and expectation in earning profit in the future, or other factors like economics, social condition and politics stability.

4.3.5 The Influence of Debt to Equity Ratio (DER) toward Stock Returns

DER does not significantly influence stock returns. The higher DER value shows the company ability in facing the chance in the future optimistically. The higher DER shows composition of total short-term and long-term debt compared with total self-capital so that it influences the company ability to pay the interest to creditor so it can decrease company in this study.

The influence of DER to return shows negative relation so the higher DER will not be followed by the increase stock return so that the retail industry in this research does not really influence DER level. The increase or decrease of DER cause tolerance to the investors so in this research DER influences negatively but not significant.

The results of this study have a different view of DER where it is believed that investors will think that a high DER can reflect the high level of debt of a company, thus increasing the risk of investors because they have to pay the company's debt burden. But other investors also have a different view where debt is needed by the company to increase the company's capital and if it is used properly, the company can increase sales, so this information can provide a different response. The effect of DER on return shows a negative relationship so that a higher DER will not be followed by an increase in stock returns so that the retail industry in this study does not really have an effect on the DER level. An increase or decrease in DER causes tolerance for investors so that in this study DER has a negative but insignificant effect. The results of this study show that the results of DER have a negative but insignificant effect in line with the research of Hanani (2011), Malintan (2012) and Daljono (2013).

4.3.6 The Influence of Return On Equity (ROE) toward Stock Return Moderated by Corporate Social Responsibility (CSR)

The research result shows that CSR can moderate ROE and Stock Returns. Dul Muid (2011) research result stated that CSR influences Stock Return negatively, CSR is a company strategy in accomodating the stakeholders' interest.

The CSR strategy is done by the company in giving a good image to the stakeholders where company does not only see profitability as the only objective but the company must have awareness to the environment since the responsibility of the company is not only to the company owner but also to the stakeholders.

Company awareness to environment and company social responsibility such as giving education scholarship, repairing public facilities, providing training needed by the society, environment conservation, reforestation, health education and others can build positive image to the company and is expected can increase company profit through the sales increase. The increase stock price surely will influence stock return. It is related with the stakeholder' theory from Grimble and Wellard (1996) that sees stakeholders from the important position and influence they have where stakeholder theory is a strategic management concept and the objective is to help corporation strengthen the relation with external factors develop competitive superiority, Mardikanto (2014)

Hadi (2011) Implementing CSR can provide a good image for the company where social costs can increase the company's image. Companies that have a good image are more attractive to investors, because the better the image of a company will create consumer loyalty. Consumer loyalty will increase the number of company sales. So that this can strengthen the relationship between profits and stock returns. In this study, company profitability uses ROA as a measure of profitability, where the greater the profitability will have an impact on stock returns.

6. CONCLUSION

Based on the research, there are several conclusions among others:
Return on Equity significantly influences stock return. It is because ROE measures company ability in making profit for the investors. The higher ROE, the higher company ability in making profit for investors by using capital achieved from the investors. It is consistent with the Signaling Theory.

Earnings Per Share (EPS) significantly influences stock return. This ratio is used to measure the management success that when it is higher it indicates the more profit for the stakeholders so that EPS has relation to stock return. This research result is consistent with Signaling Theory.
PER influences Stock Return but not significan. Similary, the influence of Price Book Value (PBV) to stock return shows no significant influence to stock return. Debt to equity Ratio (DER) does not significantly influence the Stock Return.

The research result shows that CSR can moderate ROE and stock return. It is consistent with the stakeholder's theory of Grimble and Wellard (1996) that sees stakeholders from the important position and influence they have. By comparing determination coefficient, the result is achieved that ROE variable is a moderator quasi variable. To hold CSR, the comapny must have profit, CSR is done by the company as a form of obligation to give positive impact especially to the people around the company to support the company life sustainability and CSR is also done to promote in order to stregthen branding/image of the company so hopefully it can increase company profit that will increase the stock price that will eventually increase stock return.

6. Research contribution

The results of this study can contribute to the company that carrying out CSR activities as well as corporate social responsibility to the environment and stakeholders but can improve the company's image. Companies that have a good image will create consumer loyalty and are expected to increase sales which will have an impact on profitability so as to increase the company's stock return.

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