icameka
THE 2ND INTERNATIONAL CONFERENCE
ACCOUNTING, MANAGEMENT, ECONOMICS, UNISKA
E-ISSN 3089-1566
*Proceeding Accounting, Management, Economics Uniska* Volume 2, 2025, pp 741-749
"The Role of Research in Economics, Management, Accounting to Realizing Sustainable Development"

# THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY, ENVIRONMENTAL PERFORMANCE AND COMPANY SIZE ON PROFITABILITY IN COAL MINING COMPANIES LISTED ON THE IDX IN THE 2020-2024 PERIOD

**Yenni Vera Fibriyanti [1*], Evi Rachmawati [2]**
[1]*Universitas Islam Lamongan*
***Email:** yennivera@unisla.ac.id

## ABSTRACT

This study aims to analyze the partial and simultaneous influence of Corporate Social Responsibility (CSR), Environmental Performance, and company size on profitability in mining companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period. The study sample consisted of 21 companies observed over a three-year period, resulting in a total of 105 observations. This study uses a quantitative approach with panel data regression analysis to examine the relationship between the independent variables and the dependent variable.

The results of the study show that CSR has a significant positive effect on company profitability, indicating that companies that are more active in implementing social responsibility tend to have better financial performance. Good environmental performance has been shown to increase company profitability, indicating that the implementation of environmentally friendly practices can bring financial benefits through improved corporate image. Large company size allows companies to enjoy economies of scale, have higher bargaining power, and are more stable in facing external risks. Overall, this study provides empirical evidence that CSR, Environmental Performance and company size have an important role in increasing company profitability in the mining sector, as well as contributing to economic and environmental sustainability.

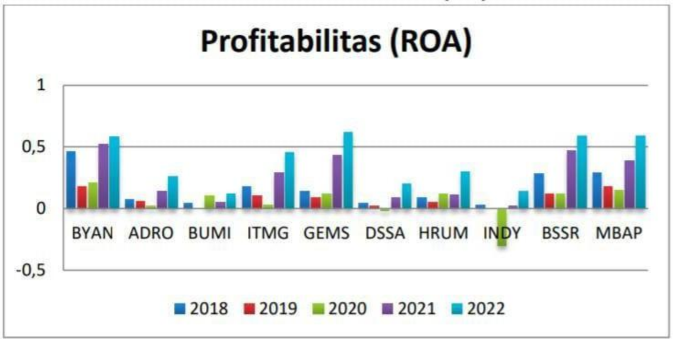
**Keywords**:
*Corporate Social Responsibility*; Environmental Performance; Company Size; Profitability; Mining Company.

## INTRODUCTION

The manufacturing industry, particularly the mining sector, is the most dominant sector in Indonesia, leading to increased competition. This increasingly fierce competition makes financial performance analysis essential to understand how companies generate profits through profitability ratios. The mining sector plays a strategic role in Indonesia's national economy, but it also has significant ecological impacts. Therefore, companies in this sector are required to prioritize not only financial profit but also implement Corporate Social Responsibility (CSR) practices and sound environmental performance management. Furthermore, company size also influences its financial performance.

The profitability of mining companies is influenced by internal and external factors, such as production costs, commodity prices, and government policies and environmental regulations. The mining industry often faces significant challenges related to high operational costs and fluctuating market prices. However, companies that effectively manage CSR and environmental performance are often more resilient in the face of market volatility. A company's profitability is often linked to its ability to manage environmental and social risks. By improving operational efficiency, companies not only increase profits but also meet stakeholder expectations regarding sustainability. Profitability growth in some mining companies has also fluctuated. The following graph shows profitability growth for mining companies from 2018 to 2022.

**Figure 1.1**
**Profitability level of mining companies listed on the Indonesia Stock Exchange (IDX).**




Source: Processed research data, 2023.

Figure 1 examines the profitability levels of mining companies listed on the IDX from 2018 to 2023, as measured by ROA. This figure indicates that, in general, mining companies listed on the IDX experienced a decline in profitability in 2019. The high or low profitability of a company can also influence shareholders' investment decisions, thus enhancing the company's favorable outlook among investors.

Profitability is the primary indicator used to measure a company's financial success. However, many factors influence profitability, including how a company manages its community relations (CSR), its environmental performance, and its size. Corporate Social Responsibility (CSR) refers to a company's commitment to be accountable for the social and environmental impacts of its operations.(Fibriyanti & Widagdo, 2022)In industries with significant environmental impacts, such as mining, sound environmental performance management not only improves corporate sustainability but can also reduce operational costs, such as through waste management and energy savings. Company size has implications for operational and financial performance. Larger companies generally have competitive advantages in the form of broader access to financing, the ability to reduce fixed costs, and greater diversification opportunities.

Based on the above background, the purpose of this study is to analyze the partial effect of CSR, environmental performance, and company size on profitability. Furthermore, this study also aims to analyze the simultaneous effect of CSR, environmental performance, and company size on the profitability of mining companies listed on the Indonesia Stock Exchange from 2020 to 2024.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### Stakeholder Theory

According to Freeman (1984), companies are not only responsible to shareholders, but also to various other parties who have an interest in the company's activities, such as employees, the community, the government, and the environment. In this context, the implementation of CSR and environmental performance can be seen as companies' efforts to fulfill their obligations to various stakeholders, including the community and the environment.

E-ISSN 3089-1566
*Proceeding Accounting, Management, Economics Uniska* **Volume 2, 2025, pp 741-749**
"The Role of Research in Economics, Management, Accounting to Realizing Sustainable Development"

Stakeholder theory is relevant to this research because companies that meet stakeholder expectations, including in environmental management and social contributions, tend to be more accepted by society and benefit from a reputational advantage, particularly in terms of consumer and investor support. This, in turn, can contribute to a company's financial performance and profitability.

**Hypothesis Development**

Previous research conducted by Lestari et al. (2020) stated that CSR (Corporate Social Responsibility) has a positive effect on company profitability. Suandi and Ruchjana (2021) stated that CSR influences profitability because it can shape the company's sustainable development by being responsible for the company's social, economic, and environmental aspects as a result of its operational activities. Kholmi and Nefiza (2022) stated that CSR influences profitability because its implementation will attract the attention of investors. Nova Angela and Vitryan Espa (2024) stated that CSR has a positive effect on profitability. Based on these explanations, the following hypothesis can be formulated:

H1: It is suspected that CSR (Corporate Social Responsibility) has a partial effect on profitability.

Previous research conducted by Shofia and Anisah (2020) stated that environmental performance partially has a significant positive effect on profitability. According to Khairiyani et al. (2019), environmental performance has a positive effect on profitability because implementing good environmental performance can maximize the entity's profitability in the form of net profit generated from sales activities. According to Nilam Santika and Titin Nur Azizah (2023), environmental performance has a positive effect on profitability because the better the awards obtained, the better the company's environmental performance, this will increase the company's value in the eyes of the community. According to Hana Fahira and Yusrawati (2023), environmental performance affects profitability because it can create positive developments for the company, for example, increasing business continuity, increasing selling value in the eyes of investors, and an increase followed by an increase in profitability. Based on the explanation, the following hypothesis can be formulated:

H2: It is suspected that Environmental Performance has a partial positive effect on company profitability..

Research conducted by Dara and Maria (2018) shows that company size has an influence on profitability. The results of this study are also in line with research by Wright (2009) and Odalo (2016) which showed that company size influences profitability. However, this result differs from the findings of Indomo (2019) who stated that company size does not affect profitability. H2 = It is suspected that company size influences profitability. H3: It is suspected that company size has a partial effect on profitability.

According to research by Nistantya, Sancahya (2010), the results of this study indicate that Corporate Social Responsibility has a simultaneous effect on the profitability of manufacturing companies listed on the Indonesia Stock Exchange. According to Anggraina Ayu Ningtyas (2019), it shows that environmental performance and environmental disclosure have a simultaneous effect on profitability, proxied by Earnings per Share (EPS) in mining sector companies listed on the Indonesia Stock Exchange. Research conducted by Ginting (2019) shows that Capital Structure and Company Size simultaneously have an influence on Profitability. The results of this study are also in line with research (Indomo, 2019) which

shows that Company Size and Capital Structure have an influence on Profitability. Based on this explanation, the following hypothesis can be formulated:
H4: It is suspected that CSR, environmental performance and company size have a simultaneous positive influence on profitability

**METHODS**

This study employed a quantitative approach with secondary data analysis. This approach was used to examine the relationship between independent variables (CSR, company size, and environmental performance) and the dependent variable (profitability) in mining companies listed on the Indonesia Stock Exchange. The population of this study was all mining companies listed on the Indonesia Stock Exchange (IDX) between 2020 and 2024. The sample size for this study was 62 companies. The purposive sampling method was used to select 21 companies and obtain 105 research data. The data analysis methods used in this study consisted of descriptive analysis, classical assumption testing, and hypothesis testing.

**RESULTS**

**Descriptive Analysis Test**

Descriptive analysis is a statistic that aims to explain the data description of all variables included in the study, seen from the minimum value, maximum value, mean, and standard deviation (Ghozali, 2018). The results of the descriptive statistical analysis can be seen in the table below:

**Table 1**
**Descriptive Statistical Test Results**

| Variables | N | Mean | Standard Deviation | Min | Max |
|---|---|---|---|---|---|
| **CSR** | 105 | 0.680 | 0.150 | 0.350 | 0.910 |
| **KL** | 105 | 0.610 | 0.170 | 0.300 | 0.900 |
| **SIZE** | 105 | 29,267 | 1,579 | 26.55 | 32.76 |
| **ROA** | 105 | 0.075 | 0.032 | 0.021 | 0.153 |

Source: SPSS Output, 2025

**Classical Assumption Test**

The next normality residual test is carried out by applying the Kolmogorov-Smirnov number test, the test is carried out by observing the Kolmogorov number and Asymp.Sig listed in table 2.

**Table 2**
**One-Sample Kolmogorov-Smirnov Test**

=====================================================

| | | Unstandardized Residual |
|---|---|---|
| N | | 105 |
| Normal Parametersa,b | Mean | 0.0000000 |
| | Standard Deviation | 0.04126101 |
| Most Extreme Differences | Absolute | 0.088 |
| | Positive | 0.070 |
| | Negative -0.088 | |
| Kolmogorov-Smirnov Z | | 0.696 |
| Asymp. Sig. (2-tailed) | | 0.719 |

Source: SPSS Output, 2025

Based on the results of the normality test in the image above, it shows that the significance value is 0.719 > 0.05, so it can be concluded that the data is normally distributed.

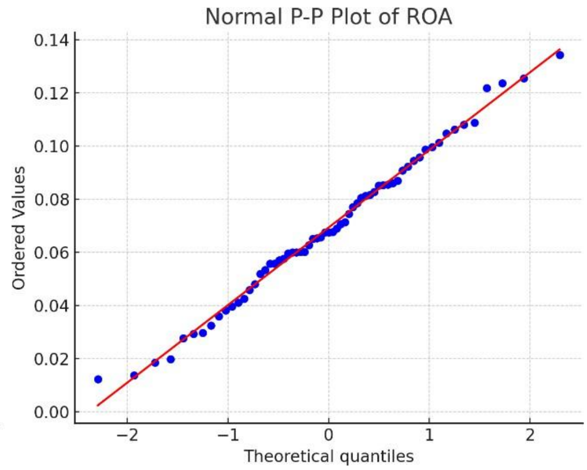



**Figure 1**

***Normality test results plot graph***

Based on Figure 1, the Normal PP Plot graph shows that the data points are quite close to the diagonal line. Thus, it can be concluded that the model fits well and that the residual data distribution is normal.

**Table 3**

**Multicollinearity Test Results**

| Variables | Tolerance | VIF |
|---|---|---|
| **CSR** | 0.741 | 1,349 |
| **KL** | 0.766 | 1,306 |
| **SIZE** | 0.786 | 1,273 |

Source: SPSS Output, 2025

The results of the multicollinearity test indicate that the tolerance value for all variables is greater than 0.10. The VIF value for each variable is below 10. Therefore, it can be concluded that there is no indication of multicollinearity in this study.

**Table 4**

**Autocorrelation Test Results**

| Variables | Durbin-Watson |
|---|---|
| **Model 1** | 1,889 |

Source: SPSS Output, 2025

Table 4 shows that the DW value in this investigation is 1.889. The Du value is 1.6581 based on the Durbin Watson table for a sample of 105 and independent variables 3. 4-Du, while it is 2.3419. Consequently, 1.6581 < 1.889 < 2.3419. So it can be concluded that there is no autocorrelation in the regression model in this study.

**Multiple Linear Regression Test**

**Table 5**

**Multiple Linear Regression Test Results**

| Variables | B | Std. Error | t | Sig. |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| **(Constant)** | 0.145 | 0.087 | 1,667 | 0.101 |
| **CSR** | 0.182 | 0.052 | 3,500 | 0.001 |
| **KL** | 0.119 | 0.043 | 2,767 | 0.008 |
| **SIZE** | 0.130 | 0.048 | 2,708 | 0.009 |

Source: SPSS Output, 2025

**Regression Equation:**

**ROA = 0.145 + 0.182(CSR) + 0.119(KL) + 0.130(SIZE)**

Interpretation of the results of the multiple linear regression analysis is as follows:

1. The constant value is positive, namely 0.145, meaning that if Corporate Social Responsibility (CSR), environmental performance, and company size are equal to zero (0), then profitability will increase.
2. The Corporate Social Responsibility (CSR) coefficient value of 0.182 indicates that every one point increase will result in an increase in profitability of 0.182.
3. The environmental performance coefficient value of 0.119 calculated using the Program Performance Rating Assessment (PROPER) shows that every 1 increase in environmental performance (PROPER) will reduce profitability by 0.119.
4. The company size coefficient value of 0.130 indicates that every one point increase will result in an increase in profitability of 0.130.

**Partial Test (t-Test)**

**Table 6**
**Partial Test Results (t-Test)**

| Variables | Unstandardized Coefficients (B) | Std. Error | T | Sig. |
|---|---|---|---|---|
| **(Constant)** | 0.145 | 0.087 | 1,667 | 0.101 |
| **CSR** | 0.182 | 0.052 | 3,500 | 0.001 |
| **Environmental Performance** | 0.119 | 0.043 | 2,767 | 0.008 |
| **Company Size** | 0.130 | 0.048 | 2,708 | 0.009 |

Source: SPSS Output, 2025

Based on the t-test results, the calculated t-values for the CSR, environmental performance, and company size variables were (3.500; 2.708; 2.767) respectively, exceeding the t-table (2.009), while the significance level of each variable was less than 0.05. This means that CSR, environmental performance, and company size have a partial effect on the profitability of mining companies listed on the IDX in 2020-2024.

**Simultaneous Test (F Test)**

**Table 7**
**Simultaneous Test Results (F Test)**
**ANOVA**

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| **Regression** | 0.092 | 3 | 0.031 | 18,123 | 0.000 |
| **Residual** | 0.108 | 59 | 0.002 | | |
| **Total** | 0.200 | 62 | | | |

Source: SPSS Output, 2025

Based on the F test, the calculated F value > F table (18.123 > 2.7505) and the significance value is 0.000 < 0.005. This means that CSR, environmental performance, and

E-ISSN 3089-1566
*Proceeding Accounting, Management, Economics Uniska* Volume 2, 2025, pp 741-749
"The Role of Research in Economics, Management, Accounting to Realizing Sustainable Development"

company size have a simultaneous effect on the profitability of mining companies listed on the IDX in 2020-2024.

**DISCUSSION**

**The Influence of Corporate Social Responsibility (CSR) on Profitability**

The emerging phenomenon of CSR's impact on profitability demonstrates that corporate social responsibility practices not only impact social and environmental aspects but also contribute to a company's financial performance. In the context of mining companies that directly impact the environment and surrounding communities, active involvement in CSR programs can enhance a company's image and build positive relationships with stakeholders.

CSR has a partial impact on profitability because it helps companies maintain good relationships with stakeholders, enhances corporate image, which can increase profitability, and reduces non-financial risks such as social conflict or public distrust. All of this can contribute to increased sales and operational efficiency, ultimately boosting profitability.

The results of this study align with research conducted by Wibowo & Putra (2020), which showed that CSR positively impacts profitability because its implementation increases public trust and consumer loyalty. Margaretha & Purwaningsih (2021) found that companies that actively report CSR tend to have better financial performance, especially in the long term.

**The Influence of Environmental Performance on Profitability**

Environmental performance positively impacts profitability because good environmental performance indicates that a company has met or exceeded environmental standards, which can increase investor confidence, strengthen government relations, and avoid litigation costs or fines. This positively impacts long-term profitability.

These findings are consistent with stakeholder theory, which states that companies that demonstrate good environmental performance tend to gain the support and trust of stakeholders such as investors, consumers, regulators, and the public. Compliance with environmental responsibilities can strengthen a company's reputation, reduce legal and social risks, and create operational efficiencies, ultimately positively impacting profitability. This demonstrates that a company's efforts to manage its environmental impact are not a burden, but rather a strategic investment that supports sustainability and long-term profitability.

The results of this study align with those conducted by Siregar & Bachtiar (2019), who received the PROPER award from the Ministry of Environment and Forestry and found a positive correlation between environmental performance scores and financial performance (ROA). Saputri & Yuliani (2022) stated that good environmental performance strengthens relationships with investors and regulators, ultimately impacting profitability.

**The Effect of Company Size on Profitability**

Large company size allows companies to enjoy economies of scale, have greater bargaining power, and are more stable in the face of external risks. This positive relationship also indicates that large companies with efficient financing structures tend to be more able to manage assets and liabilities productively, thus generating higher profits. These results align with research conducted by Dardan Maria (2018), which shows that company size influences profitability. These results also align with research by Wright (2009) and Odalo (2016), which shows that company size influences profitability.

E-ISSN 3089-1566
*Proceeding Accounting, Management, Economics Uniska* Volume 2, 2025, pp 741-749
"The Role of Research in Economics, Management, Accounting to Realizing Sustainable Development"

**The Simultaneous Effect of CSR, Green Accounting and Environmental Performance on Profitability**

CSR, environmental performance, and company size can collectively increase efficiency, reduce risk, and strengthen a company's competitive position. By consistently implementing these practices, companies not only fulfill their moral and ethical obligations but also capitalize on market opportunities and gain a competitive advantage.

According to stakeholder theory, a company's existence is not solely aimed at profit, but must also be able to meet the expectations and needs of various stakeholders, including the community, government, and the environment. Therefore, implementing CSR and environmental performance as a form of social responsibility and environmental management is a crucial strategy for strengthening stakeholder relationships and trust. These practices not only create a positive image but also increase stakeholder satisfaction, ultimately impacting company profitability.

The results of this study align with research conducted by Nistantya, Sancahya (2010), which showed that Corporate Social Responsibility simultaneously influences the profitability of manufacturing companies listed on the Indonesia Stock Exchange. According to Anggraina Ayu Ningtyas (2019), environmental performance and environmental disclosure simultaneously influence profitability in mining sector companies listed on the Indonesia Stock Exchange. Research conducted by Ginting (2019) shows that Capital Structure and Company Size simultaneously influence profitability.

## CONCLUSION

Based on the research results and discussion above, the conclusions of this study are: (1) CSR, environmental performance and company size have a partial effect on profitability, (2) CSR, environmental performance and company size have a simultaneous effect on the profitability of mining companies listed on the IDX in 2020-2024.

This study has several limitations: the data used is limited to mining sector companies listed on the Indonesia Stock Exchange (IDX) within a specific time period, so the generalizability of the results may be limited to that sector and period. This study only used three independent variables to influence profitability. Future research is expected to expand the scope of the study by including other industrial sectors or extending the observation period. Further research is expected to add other variables that can influence profitability, including: Macroeconomic conditions, government policies, and operational efficiency have not been fully included in the research model.

## REFERENCES

Arifin et al., (2019). The Effect of Liquidity, Leverage, Company Size, and Sales Growth on Profitability: A Study of Property and Real Estate Companies Listed on the Indonesia Stock Exchange in 2013-2017. Journal of Management and Entrepreneurship

Fahad, Z. &. (2024). Impact of Green Innovation and Corporate Social Responsibility on firm Reputation with mediation of Environmental Performance. Journal of Social Sciences Review (JSSR), 2-19.

E-ISSN 3089-1566
*Proceeding Accounting, Management, Economics Uniska* Volume 2, 2025, pp 741-749
"The Role of Research in Economics, Management, Accounting to Realizing Sustainable Development"

Indomo, Uyung Sutan. "The Effect of Capital Structure, Growth, Company Size, and Liquidity on Profitability in Mining Companies in the 2012-2016 Period." STEI Journal of Economics 28.02 (2019): 267 279.

Kayenat Saher., ZM (2023). The Impact of Corporate Social Responsibility (CSR) and Green Investment on Sustainable Performance: The Mediation Role of Firm Financial Performance. Global Economics Review, 60-73.

Mulia Alim, WP (2021). The Effect of Green Accounting Implementation and Corporate Social Responsibility Disclosure on Company Profitability. Digital Journal of Accounting, 23-31.

Nur, A. &. (2022). The Influence of CSR, Environmental Performance on Profitability (Empirical Study of Basic Industry and Chemical Companies). Accredited Sinta 3, 213-225.

Nailil Fitrifatun, DM (2024). The Influence of Green Accounting, Environmental Performance, Company Size, and Liquidity on Profitability: An Empirical Study of Mining Companies Listed on the Indonesia Stock Exchange for the 2018-2022 Period. Religion Education Social Laa Roiba Journal, 809-826.

Safita, N. &. (2024). The Influence of Green Accounting, Environmental Performance, and Corporate Social Responsibility on Profitability in Manufacturing Companies Listed on the Indonesia Stock Exchange in 2019-2021. Journal of Economic Science and Education, 835-851.

Yenni, VF (2022). Can Foreign Ownership Moderate the Relationship Between Corporate Social Responsibility and Financial Performance. Journal of Finance and Banking, 960-976.

Ziral, RA (2024). The Influence of Green Accounting and Corporate Social Responsibility on Profitability (Empirical Study on Mining Sub-Sector Energy Companies Listed on the IDX in 2019-2021). ISSN: 1412-5366, 54-63.