

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE AND COMPANY SIZE ON FINANCIAL PERFORMANCE IN BANKS LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE PERIOD 2022-2024

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ABSTRACT

Financial performance serves as a critical indicator evaluating a firm's capacity for profit generation and business continuity. Within the banking sector, it reflects institutional efficacy in optimizing asset management while preserving public confidence. This study examines the effects of corporate social responsibility (CSR) disclosure and company size on financial performance, proxied by Return on Assets (ROA), among banking institutions listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period, incorporating leverage as a control variable to account for funding structure variances and ensure analytical precision. Adopting a quantitative approach, secondary data were gathered from annual and sustainability reports. Utilizing purposive sampling, a final sample of 28 companies yielded 84 firm-year observations, which were subsequently analyzed via multiple linear regression. The empirical results reveal that CSR disclosure exerts no statistically significant impact on ROA, suggesting that the strategic rewards of sustainability initiatives predominantly materialize over an extended horizon and remain uncaptured within short-term profitability metrics. Conversely, firm size demonstrates a robust positive and significant influence on ROA, indicating that larger corporate scales command superior resource configurations and asset optimization capabilities. Theoretically, these findings enrich legitimacy and stakeholder frameworks by highlighting that structural magnitude plays a more deterministic role in driving bank profitability than social disclosure. Practically, the insights assist banking management in strategically balancing asset optimization and long-term sustainability objectives.

Keywords: CSR, Company Size, Leverage, ROA

1. INTRODUCTION

Financial performance is one of the key indicators used to assess a company's success in managing its resources to generate profits. In the banking sector, financial performance plays a crucial role because the industry relies on the trust of the public as both providers of funds and

users of financial services. Return on Assets (ROA), a measure of a bank's profitability, draws interest from a number of stakeholders, including creditors, investors, regulators, and the general public. The more successfully a business manages its assets to produce profits, the higher the ROA value. In light of this, a crucial component of this study is comprehending the variables that affect banking financial performance.

In recent years, there has been growing attention to corporate social responsibility practices. Companies are no longer expected merely to pursue economic profits but are also held accountable for the social and environmental impacts of their operations. Law No. 40 of 2007 respecting Limited Liability Companies and Government Regulation No. 47 of 2012 on Social and Environmental Responsibility both regulate corporate social responsibility (CSR) operations in Indonesia. These legal frameworks highlight CSR's function as a key component of sustainable company governance and a way to improve stakeholder engagement.

In the banking sector, the implementation and disclosure of CSR play a strategic role because the banking industry is highly dependent on public trust. Good CSR disclosure can enhance the company's reputation, strengthen relationships with stakeholders, and provide positive signals to investors and the public. Aside from CSR Disclosure, company size is also a factor that is often associated with financial performance. Company size reflects the scale of the company, which in this study is proxied using the natural logarithm of total assets (Ln Total Assets). Companies with larger assets generally have more adequate resources, broader access to funding, and better operational capabilities compared to smaller companies. These conditions enable companies to increase operational efficiency and generate higher profitability.

Prior literature has dedicated substantial attention to exploring the nexus between corporate social responsibility (CSR) disclosure, firm size, and financial performance; however, empirical consensus remains highly elusive due to conflicting outcomes. On one hand, several scholars document a favorable relationship; for instance, Dewi et al. (2021) and Siti Khopipa et al. (2024) established that comprehensive CSR disclosures exert a significant and positive influence on corporate profitability (ROA). Conversely, this narrative is challenged by Maulina and Maswar (2022) alongside Aisya (2025), both of whom demonstrated that sustainability reporting fails to produce a statistically meaningful impact on financial performance. Similarly, the scholarly debate regarding corporate scale remains unresolved. While Rotua and Hidayat (2024), in alignment with Koyyimah et al. (2023), confirmed that larger firm size acts as a positive driver of financial outcomes, Siti Khopipa et al. (2024) offered a contrasting perspective, proving that expanding asset magnitude can conversely trigger a detrimental effect on profitability.

A comparison of the research findings reveals a research gap regarding the impact of CSR disclosure and industry dimensions on corporate financial performance. This study also uses leverage as a control variable because the level of industry debt utilization has the potential to affect financial performance through interest expenses and the financial risks borne by the industry, and to control for the influence of the industry's financing structure so that the

relationship between CSR Disclosure, industry dimensions, and financial performance can be analyzed more accurately.

This research is motivated by the crucial role of the banking sector as an intermediary institution that collects and distributes public funds, thus having a significant impact on national economic growth and stability. Given that this industry relies heavily on public trust, data transparency and solid financial performance are essential. This study aims to empirically evaluate the impacts of corporate social responsibility (CSR) disclosure and corporate magnitude on financial performance, proxying the latter through Return on Assets (ROA). The empirical investigation targets banking institutions listed on the Indonesia Stock Exchange (IDX) across the 2022–2024 observation window, incorporating leverage as a control metric to isolate capital structure variances. In alignment with this core objective, the research addresses two pivotal questions: (1) To what extent does the degree of sustainability reporting transparency dictate the financial performance of IDX-listed banks? and (2) Does corporate scale systematically influence the financial performance of these banking institutions?

2. LITERATURE REVIEW

2.1 Stakeholder theory

Freeman (1984) shifted the corporate paradigm through the introduction of Stakeholder Theory, which argues that companies should not function exclusively for the financial benefit of their shareholders. Instead, the theory emphasizes that modern enterprises must actively account for the needs of diverse constituencies within their ecosystem, ranging from lenders and customers to suppliers, regulatory bodies, and local communities. A company's existence and survival depend heavily on the support provided by these stakeholders (Ghozali, 2020: 135). Therefore, companies must provide clear information about their operational activities and social responsibilities to gain the support of relevant parties. Companies can show their dedication to stakeholders' interests by disclosing (CSR), which improves the company's performance and reputation.

2.2 Legitimacy theory

Lindbom (1994) says that legitimacy happens when the values of something fit with the values of the bigger society it is part of. Legitimacy theory explains that companies strive to gain recognition and acceptance from society so that their operational activities can continue sustainably. Companies must carry out activities that align with the values, norms, and expectations of society. The CSR disclosures made by companies increase the likelihood of gaining public trust, which can ultimately support the improvement of financial performance.

2.3 Agency Theory

Jensen and Meckling (1976) say that agency theory is a concept that explains the relationship between an agent and a principal, who are two people working together in a team or group. In this relationship, information asymmetry often occurs because management has more information compared to the owner of the company. This condition can create conflicts of interest that have the potential to harm the company. Broader disclosure of information,

including information regarding CSR activities, can reduce information asymmetry and increase corporate transparency, thereby minimizing agency conflicts.

2.4 Corporate Social Responsibility Disclosure

According to Taghsyana *et al.* (2025), CSR represents an organization's dedication to balancing the interests of both its shareholders and broader stakeholders. This framework is designed to minimize the adverse outcomes of commercial activities while simultaneously fostering long-term beneficial contributions to society and the environment. Information regarding a firm's social and ecological initiatives is communicated through CSR disclosures, typically integrated within annual and sustainability reports. As outlined by the Global Reporting Initiative (2016), these disclosures serve to inform constituents of the organization's broader footprints across financial, societal, and environmental landscapes. To evaluate the extent of this transparency, researchers employ a specific index derived from the Global Reporting Initiative (GRI) Standards, which systemizes the assessment into economic, environmental, and social dimensions.

2.5 Company size

Company size reflects the scale of a business entity's operations. As emphasized by Putri and Ratna (2022), this metric represents a critical determinant in corporate management. Generally, enterprises are stratified into three distinct classifications based on their scale: small, medium, and large. Larger corporations typically face heightened scrutiny from regulatory bodies, drawing more substantial oversight compared to the attention they receive from the general public and government authorities. Within the empirical framework, this variable is operationalized by applying the natural logarithm ($\ln$) to the firm's total assets, a mathematical transformation intended to standardize the metric and mitigate scale-related heteroscedasticity across diverse corporate sizes.

2.6 Leverage

Leverage gauges an entity's debt-servicing capacity and the proportion of its asset base funded through borrowings. In this empirical observation, leverage is operationalized via the Debt to Assets Ratio (DAR), calculated by dividing total liabilities by total assets (Kasmir, 2019). Elevated leverage levels typically escalate an organization's financial distress risk due to the compounding obligations that must be settled. Consequently, incorporating leverage as a control variable serves to isolate the confounding effects of capital structure on profitability, thereby yielding a more precise evaluation of how CSR disclosure and firm size interact with financial performance.

2.7 Financial performance

According to Gunawan (2019) as cited in Hartanto *et al.* (2024), financial evaluation is one of the factors used to determine an entity's financial status by analyzing existing financial ratios. The purpose of financial evaluation is to assess the extent to which a company is able to generate profits and manage its assets effectively, thereby enabling it to achieve predetermined profit targets. In this study, financial performance is measured using Return on Assets (ROA), a ratio that assesses a company's ability to generate net profit relative to its total assets (Kasmir, 2021). Return on assets (ROA) was selected as an indicator in this study because it demonstrates how

effectively a company generates profit from the total assets it controls. ROA is calculated by dividing net profit after tax by total assets.

2.8 Hypothesis development

The effect of CSR disclosure on financial performance

Insights derived from Julialevi and Ramadhanti (2021) confirm that corporate social responsibility (CSR) reporting transparency serves as a critical driver in configuring firm profitability, specifically when evaluated through Return on Assets (ROA) benchmarks. Echoing these insights, Siti et al. (2024) confirmed that a company's financial triumphs are intrinsically linked to the efficacy of its social responsibility endeavors. This positive correlation exists because proactive CSR commitment serves as a strategic mechanism to elevate corporate image and cultivate stakeholder trust, thereby stimulating broader financial rewards and enhanced asset efficiency. Conversely, empirical insights from Aisya (2025) demonstrate that Return on Assets (ROA) remains largely unaffected by corporate social responsibility (CSR) initiatives. This finding closely mirrors the documentation by Novita et al. (2025), which underscores that sustainability engagements frequently fail to yield immediate, short-term enhancements to corporate profitability. In light of these highly polarized empirical observations, the following hypothesis is formulated;

H1: CSR disclosure has a significant positive impact on the financial performance of banking companies listed on the IDX.

The effect of company size on financial performance

In their empirical study, Rotua and Hidayat (2024) document that firm size actively drives financial performance, establishing that an expansion in total assets inherently strengthens an organization's financial standing. This positive relationship is corroborated by Koyyimah et al. (2023) alongside Rinofah and Ratih (2023). Conversely, a major departure from this consensus is presented by Siti et al. (2024), whose findings reveal that corporate scale can inversely damage profitability. They argue that as institutions grow, the complexity of managing swollen operating and administrative overheads intensifies, which eventually erodes their ultimate earning efficiency. Accordingly, this study introduces the following hypothesis::

H2: The size of a company has a positive impact on the financial performance of banking institutions listed on the IDX.

3. METHODS

This study utilizes a quantitative research design, guided by the principles of Sugiyono (2023). It is structured to investigate the empirical relationships between the independent predictors—namely CSR disclosure and company magnitude—and the dependent metric of financial performance. The focus is specifically directed at banking enterprises registered on the Indonesia Stock Exchange during the fiscal years 2022–2024. For the sampling frame, the population comprises all 48 banking firms that maintained their listed status on the exchange across this three-year observation window.

A purposive sampling approach was adopted to identify the target sample for this investigation. According to Sugiyono (2023), this methodology entails sample selection guided by specific judgmental considerations, ensuring that the chosen entities satisfy criteria directly relevant to the research goals. Following the execution of this filtering process, a total of 84 firm year observations were successfully accumulated from the banking sector across the three year observation window.

Secondary data underlying this research comprises financial reports, annual publications, and sustainability disclosures extracted from IDX-listed banking entities. The data acquisition process was meticulously carried out through the official websites of individual financial organizations in conjunction with the IDX database. In terms of quantitative estimation, panel regression serves as the primary analytical framework. To ensure estimation robustness, the econometric protocol follows a rigorous sequence: descriptive summary statistics, panel model specification diagnostics, and a battery of classical assumption tests, which explicitly verify the absence of normality distortion, multicollinearity, autocorrelation, and heteroscedasticity. The final evaluation concludes with inferential statistical testing using the t-statistic and the coefficient of determination.

CSR Disclosure

The assessment of CSR disclosure is anchored in the GRI G4 guidelines, which encompass 91 in total disclosure items spanning economic, environmental, and social dimensions. In computing the CSR disclosure index, the evaluation accounts for the specific number of items disclosed within the enterprise's annual and sustainability reports. To quantify the extent of this transparency, the Corporate Social Responsibility Disclosure Index (CSRDI) is calculated using the following formulation ;

$$CSRDI_j = \frac{\sum X_{ij}}{N_j}$$

Company Size

Corporate size serves as a direct indicator of an entity's operational scale, typically evaluated based on its aggregate wealth. Consequently, a higher volume of total assets positions a firm within a larger organizational classification. To standardize this metric for empirical analysis, total assets are transformed using the following natural logarithm formula:

$$SIZE = \ln(\text{total asset})$$

Financial performance

Financial performance is measured using the Return on Assets (ROA) profitability metric. Return on Assets (ROA) is an indicator used to assess how efficiently a company generates net after-tax profit by utilizing all available assets, thereby reflecting the extent to which those assets are optimally utilized to generate profit. The formula used to evaluate financial performance in this study is ROA, which is:

$$ROA = \frac{\text{Net profit after tax}}{\text{Total Asset}}$$

Leverage

One control variable is leverage. A ratio called leverage is used to evaluate how much a business uses debt to fund its operations and assets (Herdian, 2015). The Debt to Equity Ratio (DER), which evaluates how much a business uses debt in comparison to its own capital to fund its operations, is used to quantify leverage:

$$\text{Debt to Equity Ratio} = \frac{\text{Total liabilities}}{\text{Total Equity}} \times 100$$

4. RESULTS AND DISCUSSION

Sampling Process

The research population encompasses 48 banking institutions officially listed on the Indonesia Stock Exchange (IDX) throughout the 2022–2024 period. To extract the analytical sample, a purposive sampling approach was implemented based on a series of predetermined restrictive criteria, narrowing the final selection down to 28 qualified banking entities. Consequently, this selection provides a balanced panel dataset yielding an aggregate of 84 distinct observational data points across the three-year investigation window.

Table 1. Sampling Process

No	Criteria	Total
1	Banking companies listed on the Indonesia Stock Exchange (IDX) that were not delisted between 2022 and 2024 period.	48
2	Companies that do not provide comprehensive annual reports and do not fall under the exemption category for the period from 2022 to 2024 period.	(12)
3	Companies that do not have information regarding their Corporate Social Responsibility (CSR) disclosures for the years 2022 through 2024 period	(8)
Total Sample 28 x 3 years		84

Source: Processed by the author, 2026

Descriptive Statistics

Table 2 Results of the descriptive analysis of the research

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CSR	84	.31868	.91209	.6106752	.15673463
Leverage	84	.25918	13.56177	5.2573829	2.63479093
Company Size	84	29.54806	35.42552	32.1658918	1.69586857
ROA	84	-.00788	.03785	.0105328	.00896868
Valid N (listwise)	84				

Source: Secondary data processed using SPSS 26, 2026.

Based on the descriptive statistics, the mean value for the CSR disclosure variable (X1) stands at 0.6106752. This metric implies that banking firms registered on the Indonesia Stock Exchange between 2022 and 2024 exhibit a relatively robust commitment to social responsibility, with an average disclosure rate of roughly 61.07%. The Firm Size variable (X2) recorded an average of 32.1658918, indicating that the banking firms in this study generally tend to be larger in size. The recorded standard deviation of 1.69586857 indicates that the dispersion of firm size data is quite low, as the values are smaller than the average. The Leverage variable (K1) shows an average of 5.2573829, indicating that banking companies generally have a relatively high leverage ratio. The standard deviation of 2.63479093 indicates significant variation in the leverage data, although it remains below the average. With respect to variable \$Y\$ (Return on Assets), the dataset presents a mean value of 0.0105328, confirming that the banking sector's overall profitability is positioned favorably at nearly 1.05%. This metric is characterized by a minimum boundary of -0.00788 and a maximum peak of 0.03785; this dispersion highlights that despite isolated instances of net losses, several companies successfully generated optimal returns. Additionally, a standard deviation of 0.00896868 indicates a low degree of data dispersion, establishing that individual financial performance metrics do not deviate drastically from the sectoral mean.

Results Of Classical Assumption Test

Normality test

Table 3 Kolmogorov-Smirnov Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		84
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.00497920
Most Extreme Differences	Absolute	.069
	Positive	.069
	Negative	-.060
Test Statistic		.069
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Secondary data processed using SPSS 26, 2026.

The Kolmogorov-Smirnov normalcy test empirical results produced a p-value of 0.200. The null hypothesis cannot be rejected because this statistical result easily surpasses the traditional significance criterion of 0.05 ($0.200 > 0.05$). As a result, it is formally concluded that the dataset used in this study has a normal distributionn

Multicollinearity Test

Figure 1 Multicollinearity test results

Coefficients ^a		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	CSR	.591	1.693
	Company size	.517	1.934
	Leverage	.829	1.206

a. Dependent Variable: ROA

Source: Secondary data processed using SPSS 26, 2026.

Each independent variable has a tolerance value over the 0.10 threshold and a Variance Inflation Factor (VIF) much below 10, according to the empirical results of the multicollinearity analysis. It is safe to say that the empirical regression model is completely devoid of multicollinearity symptoms based on these diagnostic criteria.

Autocorrelation Test

Figure 2 Autocorrelation test results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832 ^a	.692	.680	.00507170	2.076

a. Predictors: (Constant), Leverage, CSR, Ukuran Perusahaan

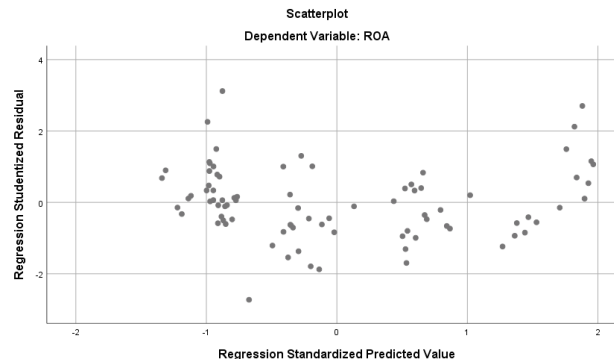
b. Dependent Variable: ROA

Source: Secondary data processed using SPSS 26, 2026.

The Durbin-Watson (DW) value for serial correlation is 2.076 according to diagnostic diagnostics. The related lower and higher statistical constraints for a panel structure with 84 firm-year data and 3 explanatory variables are $dL = 1.572$ and $dU = 1.719$, respectively, setting the $4 - dU$ benchmark at 2.281. The statistical evidence supports the absence of autocorrelation inside the estimated regression framework because the empirical DW value satisfies the ideal requirement of $dU < DW < 4 - dU$ (more precisely, $1.719 < 2.076 < 2.281$).

Heteroskedasticity Test

Figure 3 scatterplot graph



Source: Secondary datasets generated via SPSS version 26 software (2026).

Based on the scatterplot diagnostic for heteroscedasticity, the residuals are randomly scattered surrounding the horizontal zero axis without forming any systematic configurations, such as expanding or contracting patterns. Due to the absence of this structural geometric trend, the homoscedasticity assumption regarding the error term is empirically verified. Consequently, the regression framework meets this classical requirement, ensuring that the parameters are unbiased and ready for advanced statistical estimation.

Multiple Linear Regression Analysis Results

Figure 4 Results of multiple linear regression analysis

Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	.011	.002		4.892
	Leverage	-5.074E-5	.000	-.015	-.135
2	(Constant)	-.131	.013		-10.362
	CSR	.003	.005	.051	.634
	Ukuran Perusahaan	.005	.000	.854	9.894
	Leverage	-.001	.000	-.322	-4.719

a. Dependent Variable: ROA

Source: Secondary datasets generated via SPSS version 26 software (2026).

Evaluating the empirical outputs derived from the coefficients matrix, the specified multiple linear regression model is structurally formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 K + \epsilon$$

$$ROA = -0,131 + 0,003 \text{ CSR} + 0,005 \text{ Company Size} - 0,001 \text{ Leverage} + e$$

The equation can be interpreted as follows:

1. The intercept value of -0.131 implies that if the independent predictors namely corporate social responsibility (CSR) disclosure, firm size, and leverage are held constant at zero, the predicted Return on Assets (ROA) is estimated to be -0.131.
2. With a slope coefficient of 0.003 for CSR disclosure, the model estimates that a single unit increase in sustainability transparency yields a 0.003 gain in ROA, provided all other predictors are held constant.
3. Furthermore, the coefficient of 0.005 for company magnitude establishes that a one unit growth in total asset valuation generates a 0.005 uptick in profitability, assuming no changes in other variables.
4. Assuming all other variables stay constant, the regression coefficient for the Leverage variable is -0.001, meaning that ROA will drop by 0.001 for every unit increase in Leverage.

Hypothesis test results

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Figure 5 Partial hypothesis test results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.011	.002		.4892
	Leverage	-5.074E-5	.000	-.015	.135
2	(Constant)	-.131	.013		10.362
	CSR	.003	.005	.051	.634
	Company Size	.005	.000	.854	9.894
	Leverage	-.001	.000	-.322	4.719

a. Dependent Variable: ROA

Source: Secondary data processed using SPSS 26, 2026.

Based on the t-test results in the Coefficients table, the interpretation of the partial hypothesis test results in this study is as follows:

1. The Effect of CSR Disclosure on ROA
For the corporate social responsibility (CSR) disclosure dimension, the econometric estimation generates a t-statistic of 0.634. This calculated value falls substantially below the tabular t-threshold of 1.990 ($0.634 < 1.990$), paired with a corresponding significance level of 0.528 ($p > 0.05$). These empirical metrics confirm that sustainability reporting transparency exerts a negligible, statistically non-significant influence on Return on Assets (ROA). Accordingly, the proposed hypothesis postulating that CSR disclosure acts as a meaningful determinant of corporate financial profitability is rejected.
2. The Influence of Company Size on ROA
The empirical results obtained from the regression framework validate that firm size acts as a statistically significant positive catalyst in driving a bank's Return on Assets (ROA). This is evidenced by an empirical t-value of 9.894, which comfortably surpasses the tabular t-value of 1.990, alongside a highly significant alpha level ($p < 0.001$). Therefore, the proposed hypothesis is formally accepted, establishing that expansion in

corporate magnitude is systematically linked to an upward trajectory in a bank's financial performance.

3. Leverage as a Control Variable for ROA

Controlled via leverage, the model demonstrates that debt financing has an inverse and substantial effect on corporate profitability. This is statistically validated by an empirical t-value of -4.719 (where $-4.719 > 1.990$) and a highly significant significance level ($p < 0.001$). The findings confirm that a bank's financial performance contracts as its reliance on debt intensifies. Furthermore, the inclusion of this financial architecture metric serves to filter out capital structure variances, ensuring an un-biased estimation of how CSR disclosure and corporate scale independently determine ROA.

Test results of the coefficient of determination

Figure 6 Test results of the coefficient of determination

Model Summary ^c				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.015 ^a	.000	-.012	.00902220
2	.832 ^b	.692	.680	.00507170

a. Predictors: (Constant), Leverage
b. Predictors: (Constant), Leverage, CSR, Ukuran Perusahaan
c. Dependent Variable: ROA

Model 1, which uses only Leverage as a controlled variable, shows that Leverage alone is not sufficient to explain the changes in ROA. The Adjusted R-Square value indicates that Model 1's ability to explain ROA remains relatively low. In Model 2, after the main variables CSR Disclosure and Company Size were included in the model while still considering Leverage as a control variable, an R-Square value of 0.692 was obtained. This metric indicates that the joint configuration of CSR disclosure, corporate scale, and leverage explains 69.2% of the variance in Return on Assets (ROA). Conversely, the remaining 30.8% of the fluctuation is attributable to external confounding factors or omitted variables operating outside the scope of this empirical model.

After adjusting for the degrees of freedom associated with the explanatory variables, the model exhibits an adjusted R² value of 0.680. This indicates that the integrated regression framework maintains a 68.0% explanatory power in mapping the variations within the Return on Assets (ROA) metric. Leverage is therefore included as a control variable in an effort to take the company's capital structure into consideration. Consequently, the effects of CSR disclosure and firm size on ROA can be analyzed more accurately.

The Effect of Corporate Social Responsibility (CSR) Disclosure on Financial Performance (ROA)

Based on the statistical output, CSR disclosure does not meaningfully influence ROA, as demonstrated by a p-value of 0.528 (> 0.05) and an empirical t-value of 0.634, which fails

to surpass the tabular t-threshold of 1.990. These metrics indicate that variations in sustainability reporting among the sampled banking institutions do not critically determine their financial profitability during the observed period. The empirical results indicate that during the 2022–2024 observation window, CSR initiatives did not immediately translate into direct profitability gains for banking institutions. Theoretically, the dividends of sustainability practices are inherently long-term, primarily functioning as mechanisms to fortify corporate reputation, brand image, and public trust. These conclusions are consistent with prior literature; for instance, Novita et al. (2025) concluded that CSR disclosures have no appreciable impact on financial performance. Furthermore, this narrative is reinforced by Aisya (2025), who documented that a firm's financial performance is not significantly driven by its social responsibility engagements.

The Effect of Company Size on Financial Performance (ROA)

Econometric outputs reveal that the company size variable yields a t-statistic of 9.894, which significantly surpasses the critical t-table frontier of 1.990 ($9.894 > 1.990$). Backed by a p-value of 0.000 ($p < 0.05$), these results confirm that corporate scale functions as a highly meaningful predictor within the model, leading to the empirical conclusion that company size positively and significantly alters ROA. Economically, larger banking entities possess superior capabilities to extract profits from their existing asset portfolios. This evidence lends strong empirical support to stakeholder, legitimacy, and agency theoretical frameworks; banks operating with substantial asset volumes typically enjoy structural advantages in streamlining operations, expanding credit facilities, accelerating digital service adoption, and extending market networks. Additionally, this finding closely mirrors the literary consensus established by Rotua and Hidayat (2024), Koyyimah et al. (2023), and Rinofah and Ratih (2023), reinforcing the premise that a higher accumulation of corporate assets directly translates into a more robust capacity for maximizing financial performance.

5. CONCLUSION AND LIMITATION

In light of the empirical findings, the study draws the following primary conclusions: (1) Corporate social responsibility (CSR) disclosure exerts no statistically significant impact on the financial performance, proxied by ROA, of banking institutions listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. This phenomenon arises because the strategic rewards of sustainability initiatives predominantly materialize over an extended horizon specifically through the cultivation of corporate image, brand reputation, and public trust and are thus not yet directly captured within short-term profitability metrics. (2) Conversely, firm size demonstrates a meaningful positive and significant influence on the ROA of IDX-listed banking entities over the same observation window, indicating that expanded asset scales systematically drive financial performance. Based on the empirical outputs, the study establishes several core conclusions: First, the disclosure of corporate social responsibility (CSR) information demonstrates no statistically significant influence on the financial performance metrics of banking institutions registered on the Indonesia Stock Exchange (IDX) throughout the 2022–2024 observation window. This neutral outcome arises because the

strategic dividends of sustainability initiatives typically materialize over an extended horizon, primarily functioning to fortify corporate reputation, brand equity, and public trust rather than generating immediate short term profitability. Subsequently, organizational size is confirmed to function as a meaningful positive driver of profitability across the same institutional framework and temporal window. This outcome underscores that expanded banking entities enjoy systemic advantages in optimizing their structural portfolios to maximize net earnings.

This research is bounded by certain limitations, including its exclusive focus on the banking industry, its reliance on only CSR disclosure and company size as independent predictors, and a relatively constrained observation window (2022–2024). Consequently, future studies are encouraged to integrate alternative determinants of financial performance such as (GCG), liquidity, operational efficiency, and asset quality while broadening the sectoral scope and expanding the temporal timeframe to achieve more comprehensive insights.

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