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Analysis of Factors Affecting Earning Response Coefficient (Study Of Companies Registered On JII In 2020-2023)

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Abstract

The aim of this research is to test the influence of risk systematic , capital structure, opportunity grow, size companies, and Islamic social reporting (ISR) vaiable regarding variable dependent, earning response coefficient (ERC). Earnings Response Coefficient (ERC) is coefficient that measures how much strong profit company influence price stocks . This research use approach quantitative . Population from this study are 43 companies registered with JII during period 2020-2023. The sample was selected use method purposive sampling as much as 19 companies . Data analyzed use method panel data regression with Eviews 12 software assistance. Research results show that risk systematic influential significant in a way positive towards ERC, the opportunity grow influential significant in a way negative against ERC, size company influential significant in a way negative against ERC. While Capital structure and ISR are not influential against ERC.

Keywords: Risk Systematic, Capital Structure, Opportunity Growth, Company Size, Islamic Social Reporting, and Earning Response Coefficient.

INTRODUCTION

The capital market plays role as bridge in sector finance , connecting investors with company or institution government through transaction instrument finance , such as debt securities, bonds, stocks and certificates valuable commercial. Before investing in the capital market, especially stocks , investors need pay attention report finance company . Companies publish financial statements to provide information about their financial position, performance, and changes in financial position, and this study uses this information to assist in decision making (Bila and Ananto 2024). Report profit the loss that exists in report finance record data on profits generated company in period certain , which functions as reference main in evaluation performance company (Rajagukguk 2018) . Investors need information reliable profit , because lack of information can cause allocation source less than optimal power. Quality benefits reflect sustainability future profits and are influenced by elements accrual as well as cash flow , so that give a better picture accurate about performance finance company. Therefore that, the advantage is information important thing that the market is waiting for support decision making (Suardana and Dharmadiaksa 2018) .

The change profit company not always compared to straight with change price shares . Increase profit sometimes, not accompanied by an increase in stock prices, and decline profit not always because of a price drop. Because of that, the profit company cannot become the only reference. Before investing, investors consider several things first. One of the considerations is the value of the company, because if the company value is high, the level of prosperity of the shareholders is also high(Susanto, Idil Rakhmat; Badollahi 2021). Although information profit important , investors also need consider another aspect . One of tools that help analyze How price share respond information profit is *Earnings Response Coefficient* (ERC).

Risk systematic is form risks that arise from factors external companies , such as policy government , market conditions , and psychology mass . Research by Putri and Yustisia show that risk systematic don’t have own impact significant negative to the ERC, which means the ERC becomes more low or the more tall risk company , then the more weak investor reaction because low profits , investors are more interested with information profit a relatively small company stable (Putri and Yustisia 2022) . Different with Rahmawati and Asyik's research show that risk systematic don’t have influential to *Earning Response Coefficient,* which means that investors make investment with tend notice information another , something that can herding profit so that can result in risk No influence investor response to profit (Rahmawati and Asyik 2020) .

Companies with promising prospects usually avoid sell stocks and more choose for get new capital through alternative others, such as increase debt above the target capital structure that has been set planned. Own capital structure covers spending term long companies that can influence mark company , cost of capital, and stock market prices. With Thus , the capital structure has connection close with financing term long , which can evaluated through ratio between long term debt length and equity (I 2015) . Ratih and Siska's research shows that capital structure influences simultaneous towards ERC (Utami and Yudowati 2021) . Meanwhile in Renil Septiano's research show that capital structure influences positive towards ERC (Septiano, Arifin, and Sari 2022) .

Chance grow become reference growth company in the future front so that company can try increase profit . Companies with potential big growth will give significant benefits in the future for for investors. Opportunity grow can interpreted ability company do identification potential sources of funds company for investors to use give planning finance in the company . In the research Fitriah show that chance grow No influential to the ERC, which means Still there are investors who do not always want For to obtain profit term long but more like profit term short (Fitriah 2020) . Meanwhile, in the research by Gunawan, Anwar, and Djaddang show that chance growth (*growth opportunities*) has an impact positive to the ERC, which means the more big chance growth so can give influence ERC upgrade , on the other hand the more small chance grow can give influence decreasing ERC (Gunawan, Anwar, and Djaddang 2021) .

Size company often considered as indicator level activity operational and investment . Companies that are more big rated own more potential tall in increase performance and profit, so that capable interesting investor interest . In a study by Seny Yuliani et al ., it was found that size company No influence *Earnings Response Coefficient* (ERC) (Yuliani, Situmorang, and Kohar 2020) . On the other hand , research by Nurrahman and Yusrizal conclude that size company influential positive significant against the ERC, which shows that company with scale big more tend use debt to fulfil capital and investment needs (Nurrahman and Yusrizal 2020) . Anggita and Hidayati also showed results that size company own influence significant towards ERC (Anggita and Hidayati 2021) .

Islamic Social Reporting (ISR) becomes base for investors who believe information finance with notice how far the company comply principles of sharia. On the belief the investor can consider in the process of taking related decisions with economy and also aspect religious . In the study Purna Putra and Yuliani Aisyah show that ISR does not influential and not significant against ERC (Putra and Aisyah 2022) . Meanwhile in Sita Nastiti's research results testing show that level ISR disclosure has an impact positive significant against ERC, proven that disclosed investor value ISR information can increase trust reported profit For taking decision investment (Nastiti 2017) .

Various study previously show varying results , or known as *study gap,* between One study with study others . Variations results This possibility big caused by differences characteristics tested variables and differences period observation . In research this , researcher make an effort For differentiate self from study previous with expand and update analysis , namely with using data from four period latest use test whether variables influence *Earning Response Coefficient (ERC)* in various period . Based on results study previously , variables different in research similar show varying influences towards ERC, both in companies manufacturing and also object other.

THEORITICAL FRAMEWORK AND HYPOTHESIS

Efficient Market Theory

Efficient market theory focuses on the role information in reach price new balance in the market. Principle main from theory This is that available information can accessed with easy and low cost , so price asset or securities in an efficient market will always reflect existing information moment that . In a competitive market , prices balance asset determined by interaction between supply and demand , and only information new that is not predictable that can influence change price shares . If a information can estimated , then matter That Already absorbed by the market and reflected in existing prices (Ekawati and Yanti 2022) .

Earning Response Coefficient

ERC measurement was first introduced through Ball and Brown's research , which shows that profit accountancy own mark relevance for evaluation securities (Ball 1968) , as quoted in Nurrahman and Yusrizal , define ERC as coefficient that describes how much big stock return response to report profit company . Every company own correlation special between performance its operation and performance share (Nurrahman and Yusrizal 2020) . The more tall ERC value , the higher the resulting increase in stock returns is also large from increase profit . In case this , investors can more easy predict potential return from investment in stocks company in the future with understand the company's ERC . On the other hand , ERC is low show low profits , so investors will difficulty estimating future returns from investment the .

According to Suwarjono to Erviani Zulaecha et al . *Earning Response Coefficient* can obtained with calculation as following (Zulaecha, Rahcmania, and Septian 2021) :

a. *Cumulative Abnormal Return* (CAR)

$$CAR_{(-5,+5)} = \sum_{t=-5}^{+5} AR_{it}$$

b. *Unexpected Earnings* (UE)

$$\mathrm{UE_{it}} = \frac{\mathrm{EPS_{it}} - \mathrm{EPS_{it-1}}}{\mathrm{EPS_{it-1}}}$$

c. Determine *Earning Response Coefficient*

$$\mathrm{CAR_{it}} = \beta_0 + \beta_0 \, \mathrm{UE_{it}} + e_{it}$$

Risk Systematic

Risk systematic different from risk specific , or risk No systematic , related with factors that have an impact directly to the company or asset certain . According to Hartono, the risk This related close with factor macroeconomics that affect the entire market, such as inflation, interest rates interest , fluctuation mark exchange , and growth economy . Therefore that , factors This need attention extra from market players . For measure level risk systematic a securities compared to with market risk , one of the indicators used is beta (Hartono and Jogiyanto 2014) .

Risk systematic is risks that affect the whole market and not can removed through diversification , which can analyzed through regression between stock returns with beta and market returns. Risk measured with formula as following :

$$\mathrm{R_{it}} = \propto_i + \beta_{it} \, \mathrm{R_{mt}} + e_{it}$$

Capital Structure

Capital structure reflects composition finance a companies , in particular comparison between debt and equity owned . There are several theory that explains approach in choose this capital structure (Irham 2015) . The capital structure is comparison between debt and equity used For to finance activity operational and development business . This capital structure can measured through leverage ratio :

$$Debt\ to\ Equity\ Rasio = \frac{Total\ Liabilities}{Stockholders\ Equity}$$

Chance Grow

Chance grow describe prospects growth companies in the future . Investors usually evaluate potential growth a company with see price stocks that reflect expectation to the benefits that will be obtained in the future . Market assessment of potential growth This can reflected in the price shares , which in turn reflect expected benefits in the future . Therefore that , the holder share will more responsive to companies that have prospects positive growth, because company like This offer opportunity profit term long (Popon 2020)

Chance grow is one of the indicator market assessment of potential growth a company, which is visible from price formed stocks . Indicators this can also measured use *market to book ratio* from each company at the end of period report finance , with formula :

$$Market\ to\ book\ ratio = \frac{Equity\ Market\ Value}{Equity\ Book\ Value}$$

Company Size

Size company refers to the scale used For categorize company based on big small, with consider various factor like income , total assets , and stock market value . The more total assets size or sale clean a company , increasingly large in size . On the other hand , if the total assets or sale clean a company experience decline , then size the company will also shrink . Size company relate close with availability information , where the company is more big generally own more Lots information that can accessible , good That about performance company and also profit generated (Inan Rahmawati, Adam Zakaria, and Sri Zulaihati 2021) .

Size company is total assets determinant as agent size company in order to be able to do measurement scale economy company with use *natural log* of total assets company . For the measurement done with natural logarithm of total assets company .

$$Size = \mathrm{Ln\ (Total\ Aset)}$$

Islamic Social Responsibility (ISR)

Currently , the implementation of CSR has become obligation for companies , especially those operating in the sector source Power nature , according to with provision in Limited Liability Company Law Number 40 of 2007 Article 74. The concept of Islamic Social Reporting (ISR) is also increasingly become spotlight in the international world , with the amount development in reporting social based principles Islamic finance . ISR is A development from disclosure not quite enough answer social that adds elements sharia- based , which is not found in conventional CSR report .

According to research conducted by Ari Sita Nastiti , existing indicators in ISR includes various aspect like financing and investment, products as well as services, welfare employees, contribution to community, protection environment, and governance company (Nastiti 2017) . Measurement this ISR level can counted with the formula that has been applied in various study previously .

$$\mathrm{ISR} = \frac{\text{Number of Disclosure Score}}{\text{Maximun Total Score}}$$

Influence Risk Systematic To *Earning Response Coefficient*

Risk systematic is associated risks with changes in the general market . For investors, profits is indicator performance company in the future front . When the company at risk high, less investors responsive to information announcement profit and cause investors to be cautious in taking decision to risky company high . Efficient market theory explain price share reflect all available information , including risk systematic and announcement profit . In the market with level efficiency high , risk large systematic will direct anticipated by investors in evaluation to share company . Therefore that's a surprise profit from company at risk tall Possible No give significant impact to change price shares , so that lowering ERC. Research by Inanto and Yustisia show that risk systematic influential in a way significant negative towards ERC. (Putri and Yustisia 2022)

Research by Ari Gunawan et al . also shows that risk systematic influential in a way significant negative towards ERC means the more big risk systematic so ERC value experienced decline , because height risk systematic will down also level profit company and result ERC drop . ERC drop ERC value can make investors less like shock too much profit big , because matter This considered can increase risk . The more tall risk systematic , increasingly low investor reaction to shock profit , which has an impact on the decline in ERC. (Gunawan, Anwar, and Djaddang 2021) Different with study Yopie Candra who stated that risk systematic No own influence significant against ERC. (Chandra 2020)

H1: Risk systematic influential negative significant towards ERC.

Influence Capital Structure Against *Earning Response Coefficient.*

Before decide for invest , investor does not only consider ability company in produce benefits , but also pay attention to use debt company Because matter the influence profitability and returns received by investors. Investors do not will too notice information profit companies that have ratio high debt . Efficient market theory explain price share reflect all relevant information , including company capital structure . High debt ratio give signal to investors regarding risk finance company . Risk This causing investors to be less respond information profit , because announced earnings Possible considered not enough quality or No Enough convincing For reflect performance company in a way real .

Research by Ariesta and Zakaria shows that Capital structure has an effect in a way significant negative towards ERC. (Ariesta and Zakaria 2022) Similarly with Putu Kepramareni's research et al . which shows that capital structure influences negative towards ERC. (Kepramareni, Pradnyawati, and Swandewi 2021)

H2: Capital structure has an effect negative significant towards ERC.

Influence Chance Grow To *Earning Response Coefficient.*

Improvement profit can become indicator growth business . The more big opportunity growth a company , increasingly the potential is also great the benefits compared to with stagnant company . Growth profit can used For evaluate prospects growth company in the future coming to be base taking decision . The more big opportunity growth a company , opportunities profit more big than companies that do not grow . Then ERC will the more high in the future . Efficient market theory explain that price share reflect all available information , including opportunity growth company . Information about chance grow give signal positive to investors regarding prospects future benefits This is reflect that information profit from company with chance grow tall own more relevance big for investors, so that improve ERC.

Research conducted by Tamara and Suaryana show *growth opportunity* shows that chance grow influential positive towards ERC, because the more tall company *growth opportunity* can increase price share company with increasing profit company in the future the increasingly bright front tall so that the company's ERC increased . (Tamara and Suaryana 2020)

H3: Chance grow influential positive significant towards ERC.

Influence Company Size Against *Earning Response Coefficient.*

Companies can shared into two, namely company big and company small . Big company considered more capable manage its operation myself . With big size , company This usually own significant assets , which contribute to the ability For produce company profit big own more Lots information that can delivered to public and number company big rich information, more easy for investors to interpret information this , so that reduce uncertainty future cash flow company and give trust more on the company big . (Nurrahman and Yusrizal 2020) .

Efficient market theory explain price share reflect all relevant information . More information complete , transparent and quality from company big make investors more faster and more accurate in respond announcement profit . In the context of this , company big give signal positive to the market regarding stability and prospects performance finance company, which increases ERC value . According to Efrinal and Astuti size company become distinguishing criteria company big with company small , company big will get profit from quality information Good compared to with company small . Big company more own detailed information compared to with business small who has quality bad information . The more detailed the quality information provided a company so will the more good response from investors . (Efrinal and Astuti 2022)

H4: Size company influential positive significant towards ERC.

Influence *Islamic Social Reporting* Against *Earning Response Coefficient.*

Change price share move in accordance profit in the future come so that mark information disclosed about announcement number profit can influence investors in taking decision . Profit is one of the Frequently Asked Information considered by investors. The value of information the is disclosure not quite enough answer social company , while behavior investor behavior seen from announcement report annual company . Many studies has researching disclosure not quite enough answer social companies and ERC. *Islamic Social Reporting* is development reporting from sharia- based *corporate social responsibility* (CSR) . ISR aims to For create policies implemented No there is element usury , but through what Allah commands in the form of zakat, infaq , alms and waqf . Passage theory efficient explain that price share reflect all available information , including ISR disclosure in report annual . ISR which is more complete and transparent give signal positive to the market regarding commitment company to sharia values and responsibility answer social

Research by Nastiti show that ISR has influence positive towards ERC, which means investors appreciate ISR information delivered company in report annually , so that increase trust to reported profit (Nastiti 2017).

H5: *Islamic Social Reporting* has an influence positive significant towards ERC.

RESEARCH METHOD

This research is associative research with a quantitative approach. The population used in this study are on companies listed on the *Jakarta Islamic Index* from 2020 – 2023. This research explore factor affecting *Earning Response Coefficient* (ERC) on companies listed on the *Jakarta Islamic Index* with 4 year period counted from 2020 – 2023. study This ttudy test and analyze influence risk systematic , capital structure , opportunity grow, size companies, and ISR towards *Earning Response Coefficient* .

Data Types and Sources

Data gathered from second-hand sources or other sources that were accessible before to the study project is referred to as secondary data. The information used comes from financial reports of companies listed on on the *Jakarta Islamic Index* from 2020 - 2023, which were accessed via the Indonesia Stock Exchange's official website.

Population and Sample

Population used in the study This is companies listed on the *Jakarta Islamic Index* 2020-2023 with population as many as 30 companies . The sample is part from population that has characteristics certain . In research this , taking sample done with method *purposive sampling,* namely selected technique based on consideration or criteria certain. The methods used in study This is method analysis quantitative with *Eviews 12.*

Variables and Measurement

This study uses *Earning Response Coefficient* as an dependent variable. *Earning Response Coefficient* can obtained with calculation as following (Zulaecha, Rahcmania, and Septian 2021) :

Cumulative Abnormal Return (CAR)

$$\text{CAR}_{(-5,+5)} = \sum_{t=-5}^{+5} AR_{it}$$

Unexpected Earnings (UE)

$$\text{UE}_{\text{it}} = \frac{\text{EPS}_{\text{it}} - \text{EPS}_{\text{it}-1}}{\text{EPS}_{\text{it}-1}}$$

Determine *Earning Response Coefficient*

$$\text{CAR}_{\text{it}} = \beta_0 + \beta_0\ \text{UE}_{\text{it}} + \text{e}_{\text{it}}$$

Independent Variables:

Risk systematic

$$\text{R}_{\text{it}} = \propto_{\text{i}} + \beta_{\text{it}}\ \text{R}_{\text{mt}} + \text{e}_{\text{it}}$$

Capital Structure

$$Debt\ to\ Equity\ Rasio = \frac{Total\ Liabilities}{Stockholders\ Equity}$$

Chance Grow

$$Market\ to\ book\ ratio = \frac{Equity\ Market\ Value}{Equity\ Book\ Value}$$

Company Size

$$Size = \text{Ln (Total Aset)}$$

Islamic Social Reporting

$$\text{ISR} = \frac{\text{Number of Disclosure Score}}{\text{Maximun Total Score}}$$

RESULT AND DISCUSSION

Analysis statistics descriptive done with objective For give description in a way general regarding the data in progress examined . The picture is can seen in value minimum, maximum , standard deviation , and the average (mean) of every variables (Ghozali , 2018). Initially sample research used are 76 companies that are late publish report finance , but after normality test was conducted the result not normal, then outliers were carried out by 17 companies so that sample study into 59 companies . The following results analysis statistics descriptive shown in the table following :

Table 1. Analysis Descriptive

	X1	X2	X3	X4	X5	Y
Mean	0,10	0,79	3,86	31,71	0,82	0,00
Median	0,08	0,67	1,69	31,90	0,83	-0,03
Maximum	00,57	3,93	56,79	33,29	0,93	1,56
Minimum	0,03	0,08	0,26	29,48	0,65	-1,07
Std.Dev	0,09	0,67	8,73	0,88	0,05	0,41
Skewness	3,55	2,47	5,06	-0,47	-0,79	0,67
Kurtosis	16,66	11,33	28,63	2,81	3,88	6,33
Jarque-Bera	583,50	230,81	1868,08	2,31	8,17	31,74
Probability	0,00	0,00	0,00	0,31	0,01	0,00
Sum	6,42	46,66	228,26	1870,89	48,59	0,10
Sum Sq Dev	0,55	26,29	4428,61	45,39	0,19	9,83
Observation	59	59	59	59	59	59

On the variables risk systematic (X1), minimum value recorded of 0.03 at PT. Chandra Asri Petrochemical Tbk . in 2021 and a maximum by 0.57 in 2022 , with an average of 0.10 and a standard deviation 0.09, indicating that part big company in sample face level similar risks , with small variations . Variations This is also reflected in the standards low deviation , which indicates fluctuation risk that is not significant .

On the variable capital structure (X2), minimum value 0.08 at PT. Telkom Indonesia Tbk. in 2022 and maximum 3.93 at PT. Unilever Indonesia Tbk . in 2023, with an average of 0.80 and a standard deviation 0.64, depicts existence company with varying capital structures Far from the average, although part big approach average value .

Variable chance growing (X3) shows variation significant with minimum value of 0.26 at PT. Indocement Tunggal Prakarsa Tbk . in 2021 and maximum of 56.79 at PT. Unilever Indonesia Tbk . in 2020, with an average of 3.86 and a standard deviation 7.11, reflects wide distribution among companies that have chance grow .

Variable size company (X4) shows minimum value of 29.48 at PT. Mitra Keluarga Healthy Work Tbk . in 2021 and a maximum of 33.29 at PT. Telkom Indonesia Tbk . in 2023, with an average of 31.71 and a standard of deviation 0.88, indicating that size company in sample relatively homogeneous , with the difference that is not too significant .

In the ISR variable (X5), the minimum value is 0.65 at PT. Mitra Keluarga Healthy Work Tbk . in 2020 and a maximum of 0.93 at PT. Aneka Tambang Tbk . in 2022, with an average of 0.82 and a standard of deviation 0.04, indicating high consistency in not quite enough answer social sharia- based among the companies studied . Finally , on the ERC variable (Y), with minimum value -1.07 at PT. Mitra Keluarga Healthy Work Tbk . in 2021 and a maximum of 1.56 at PT. XL Axiata Tbk . in 2023, an average of -0.00 and a standard deviation 0.40, indicating existence sufficient distribution wide , with part company show response very positive income and some others are very negative , reflecting great variability in response to information .

Classical Assumption Test

Table 3. Multicollinearity test

	X1	X2	X3	X4	X5
X1	1,00	0,04	-0,08	0,19	0,27

X2	0,04	1,00	0,69	0,17	0,00
X3	-0,08	0,69	1,00	-0,33	-0,09
X4	0,19	0,17	-0,33	1,00	0,25
X5	0,27	0,00	-0,09	0,25	1,0

Multicollinearity Test refers to the condition in which the variable independent in the regression model own very strong relationship or almost perfect , which can bother model accuracy . A good regression model should free from problem multicollinearity , which is indicated with mark correlation between variable independent which is not more big from 0.9. Based on the results of the multicollinearity test contained In Table 6, the coefficients correlation between variable free show numbers below 0.9, which means this data No experience problem multicollinearity .

Table 4. Heteroscedasticity Test

Variable	Coefficient	Std.Error	t-STatistic	Prob
C	3,45	1,81	1,90	0,06
X1	-0,26	0,40	-0,64	0,52
X2	0,17	0,09	1,80	0,07
X3	-0,01	0,00	-1,45	0,15
X4	-0,00	0,00	-1,43	0,15
X5	-0,69	0,70	-0,99	0,32

Heteroscedasticity test used For evaluate whether there is difference residual variance between observation . The results in Table 6 show that No There is variable independent with mark Chi-Square probability is greater big from α = 0.05, which indicates that this data is also free from symptom heteroscedasticity .

Analysis Panel Data Regression

Table 5. Panel Data Regression Test

Variable	Coefficient	Std.Error	t-STatistic	Prob
C	7,04	3,21	2,18	0,03
X1	0,25	0,08	3,04	0,00
X2	0,10	0,18	1,57	0,57
X3	-0,04	0,02	-2,13	0,04
X4	-0,00	0,00	-2,16	0,03
X5	-0,55	0,68	-0,81	0,42

$$Y = 7 .043 + 0.0253 *X1 + 0.1075 *X2 – 0.0436 *X3 – 0.002 *X4 – 0.558 *X5$$

1. The constant value of 7.043 means without existence systematic risk, capital structure, growth opportunities, company size, and ISR then the ERC will be 7.403. This is give description the important basics about ERC, where mark This reflect potential market response to profit company without existence factors external influences .

2. The regression coefficient for systematic risk (x1) is 0.0253 , which means that if the disclosure of systematic risk is one unit, the ERC will increase by 0.0253 .
3. The regression coefficient for capital structure (x2) is 0.1075, which means that if capital structure disclosure increases by one unit, ERC will increase by 0.1075.
4. The regression coefficient for growth opportunities (x3) is -0.0436 , which means that if the disclosure of capital structure decreases by one unit, the ERC will decrease by 0, 0436 .
5. The regression coefficient for company size (x4) is -0.002 , which means that if the disclosure of company size decreases by one unit, the ERC will decrease by 0.002.
6. The regression coefficient for ISR (x5) is -0.558, which means that if the disclosure of company size decreases by one unit , then ERC will decrease by 0.558 .

Hypothesis Testing

Simultaneous testing shows F value count is 2.814262, where F table with df : α, (k-1), (nk) or 0.05, (6-1), (59-6) is 2.38944. *Prob value .* 0.041645 < 0.05 which means H0 is rejected and Ha is accepted. The results show that the variables of systematic risk, capital structure, growth opportunities, company size, and ISR simultaneously affect ERC. Based on the t-test research on the systematic risk variable (x1), the calculated t value is 3.049 > t table, which is 2.006 and the *Prob value .* 0.004 < 0. then H0 is rejected and Ha is accepted It means risk systematic significant influential in a way positive to ERC. . The capital structure variable (x2) obtained a calculated t value of 0.5733 < t table, namely 2.006 and a *Prob value of* 0.5701 > 0, then H0 is accepted and Ha is rejected It means capital structure no influential significant against ERC. The growth opportunity variable (x3) obtained a calculated t value of 2.132 > t table, namely 2.006 and a *Prob value of* 0.0401 < 0.05 H0 is rejected and Ha is accepted . It means chance grow influential significant in a way negative against ERC . The company size variable (x4) obtained a calculated t value of 2.161 > t table, namely 2.006 and a *Prob value of* 0.0375 < 0.05 . H0 is rejected and Ha is accepted. It means size company influential significant in a way negative against ERC . The ISR variable (x5) obtained a calculated t value of -0.8103 < t table, namely 2.006 and a *Prob value of* 0.4232 > 0.05, so H0 is accepted and Ha is rejected. meaning ISR does not influential significant towards ERC.

CONCLUSIONS

Based on results study risk systematic influential significant positive against ERC. Risio systematic play a role important in determine market response to information profit . Although study previously show influence negative , research This show influence positive . This is because of that investors may see risk systematic tall as opportunity For get more return large . The capital structure is not influential significant against ERC. This is because investors do not too notice corporate debt level in respond information profit , or consider use debt as factors that are not relevant against evaluation mark company . Opportunity grow show influence negative against ERC. This is show that investors see greater risk tall related with companies that have opportunity high growth , especially If company face difficulty in to realize opportunity said . Size the company also has negative impact on ERC. This because investors have high expectations to company big and become disappointed If company No fulfil expectations , so that investor response to information profit become more negative . ISR is not own influence significant against ERC. This is show that investors do not consider ISR as relevant factors in determine mark company , or standard ISR disclosure not yet consistent , making it difficult for investors For evaluate the impact to performance finance company.

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