

THE INFLUENCE OF FIRM SIZE, DEBT POLICY, FINANCIAL PERFORMANCE, AND CAPITAL STRUCTURE ON STOCK RETURNS IN MINING COMPANIES LISTED ON THE IDX IN 2018–2024

Heny Aprianingsih¹, Darmanto², Wikan Budi Utami³

Institut Teknologi Bisnis AAS Indonesia

Email: heyhnikroku22@gmail.com¹, darmanto.pignatelli@gmail.com², budiutamiwikan@gmail.com³

Abstract: This study aims to determine the partial influence of firm size, debt policy, financial performance, and capital structure on stock returns in mining companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2024. The sample consisted of 15 mining companies listed on the IDX during that period. The results indicate that firm size does not significantly affect stock returns, suggesting that company size is not a primary consideration for investors when assessing stock return prospects in the mining sector. Debt policy also does not have a significant effect, indicating that a company's leverage level is not a key factor in investment decisions in this sector. Financial performance similarly does not significantly influence stock returns, suggesting that historical financial ratios are less relevant for predicting stock price movements in mining. However, capital structure has a significant positive effect on stock returns, indicating that a company's capital composition is an important factor for investors. An optimal capital structure can signal the company's ability to manage risks and seize growth opportunities. Simultaneously, all independent variables together significantly influence stock returns, highlighting that internal company factors collectively have limited impact, as investors tend to focus on external factors such as commodity prices, global economic conditions, and regulations.

Keywords: *Firm Size, Debt Policy, Financial Performance, Capital Structure, Stock Return.*

Submitted: 2025-07-09; Revised: 2025-07-17; Accepted: 2025-08-05

1. Introduction

Several factors are believed to influence a company's stock returns, including firm size, debt policy, financial performance, and capital structure. Firm size, often measured by total assets or revenues, is considered an important indicator of a company's stability and growth potential. This aligns with research by (Siagian et al., 2021), which found that firm size affects stock returns in property and real estate companies. However, this contrasts with (Wahyudi, 2022), who found that firm size does not affect stock returns in state-owned enterprises listed on the IDX.

Debt policy plays a significant role since debt financing can enhance profits but also increases financial risk. This is in line with (Andika, 2022), who found that debt policy affects stock returns, contrary to (Saselah & Prasetyanta, 2020), who found no significant effect. Investing in publicly listed companies offers investors both capital gain potential and dividend

income. According to (Hartono, 2017), stocks represent partial ownership in a company. (Tandelilin, 2017) describes common stock as a certificate of ownership, with dividends distributed as decided in the general shareholders' meeting (Kasmir, 2016).

Better financial performance, reflected in ratios, generally leads to higher stock returns. Likewise, favorable economic conditions are mirrored in rising stock prices. These dynamics motivate deeper studies on what factors influence stock returns.

Many studies have examined fundamental factors' impact on stock returns, but empirical findings remain inconsistent. This justifies further research on how firm size, ROA, and DER influence stock returns, especially in mining companies on the IDX. Companies' management has more information on their prospects, including financial reports and policy disclosures, which outsiders do not fully access.

Though numerous studies explored these factors, few comprehensively integrated firm size, debt policy, financial performance, and capital structure simultaneously, especially in mining companies that have unique characteristics. Improper capital structure decisions, such as excessive debt, could burden companies with financial risks, including the inability to service debt (Riffandi, 2013). Thus, determining the right debt-equity mix is crucial to maximize firm value, minimize cost of capital, and positively signal the company's risk management and growth potential (Dinarrossi, 2024), although this contrasts with (Mas'ud, 2020), who found capital structure negatively influences stock returns.

Based on this context, this study is titled *"The Influence of Firm Size, Debt Policy, Financial Performance, and Capital Structure on Stock Returns in Mining Companies Listed on the IDX in 2018–2024."*

2. Literature Review

2.1. Firm Size

According to (Putri & Regi, 2017), firm size reflects the total assets owned by a company. Similarly, (Wahyuni & Gerianta, 2018) explain that firm size can be classified based on total assets, sales, or market value. Meanwhile, (Novianty & May, 2018) emphasize that firm size is determined by the company's operating scale, which can be seen from total sales or total assets. From these perspectives, it can be concluded that firm size is generally measured by the magnitude of a company's total assets.

2.2. Debt Policy

(Setiono et al., 2017) state that debt policy represents external financing that has a sensitive impact on firm value. Similarly, (Brigham & Houston, 2017) describe debt policy as decisions made by a company regarding the use of financial debt to support its operations. In line with this, (Kasmir, 2019) explains that debt policy measures the extent to which a company's activities are financed through debt. Based on these views, debt policy essentially refers to managerial decisions to fund company operations by utilizing debt capital.

2.3. Financial Performance

According to (Sabil, 2016), financial performance serves as a benchmark for management in making decisions. (Hery, 2018) describes financial performance as a formal evaluation of a company's efficiency and effectiveness in generating profits and maintaining cash positions. Meanwhile, (Oktalia et al., 2020) point out that financial performance reflects the achievements of a company in managing its finances over a specific period. From these perspectives, it can

be concluded that financial performance is assessed to determine whether a company is in a healthy financial condition.

2.4. Capital Structure

According to (Mulyani, 2017), capital structure refers to the proportion of equity and debt used by a company to meet its funding needs. (Setyawan et al., 2016) further explain that capital structure describes how a company finances its operations and growth by balancing the use of equity and debt. From these explanations, it can be concluded that capital structure serves as a crucial tool for funding a company's operational activities.

2.5. Stock Return

(Jogiyanto, 2017) defines stock return as the profit earned from stock investments, whether it is realized or still expected in the future. Similarly, (Hanivah & Wijaya, 2017) describe it as the level of profit that investors obtain from their stock investments. Based on these definitions, it can be concluded that stock return represents the profit received by shareholders as a result of an increase in stock value.

Hypotheses

There is an influence of firm size, debt policy, financial performance (ROA), and capital structure (DER) on stock returns in mining companies listed on the IDX from 2018 to 2024, both partially and simultaneously.

3. Research Method

This study employs a quantitative approach. The population comprises 47 mining companies listed on the Indonesia Stock Exchange (IDX). The sampling technique used is purposive sampling, with the specific criterion that only companies which consistently disclosed complete financial statements for the period 2018–2024 were selected. Based on this criterion, the final sample consists of 15 mining companies. This approach was adopted to ensure that the data analyzed are reliable and comparable across the entire study period, thus strengthening the validity of the statistical tests. The data were then analyzed using multiple linear regression to assess the partial and simultaneous effects of the independent variables. Additionally, t-tests were performed to test individual hypotheses, F-tests to examine the overall model fit, and the coefficient of determination (R^2) was calculated to measure the explanatory power of the independent variables on stock returns.

4. Results and Discussion

Classical Assumption Tests

Normality

Based on research result, using a sample of 105 observations, the normality test indicates that the data meet the assumption of normal distribution. The test results show an Asymp. Sig. (2-tailed) value of 0.198, which is greater than the research significance level of 5% (0.05). Therefore, it can be concluded that the data are normally distributed and suitable for further analysis using multiple linear regression.

Multicollinearity

Based on research result, the results of the multicollinearity test using the tolerance and Variance Inflation Factor (VIF) values indicate that the tolerance values for each independent

variable are greater than 0.10, and the VIF values are less than 10. These results suggest that there is no multicollinearity among the independent variables in the regression model.

Heteroscedasticity

Based on research result, the results of the heteroscedasticity test for each independent variable show significance values greater than 0.05, namely: firm size (0.999), debt policy (0.167), financial performance (0.647), and capital structure (0.121). Since all significance values exceed the 0.05 threshold, it can be concluded that there is no indication of heteroscedasticity in the model. This suggests that the regression model meets the assumption of homoscedasticity and is appropriate for hypothesis testing.

Autocorrelation

Based on the analysis results, the Durbin-Watson (DW) value obtained is 2.010. At a 5% significance level, and with $N = 105$ and $K = 4$ independent variables, the Durbin-Watson table shows a lower bound (dL) of 1.6237 and an upper bound (dU) of 1.7111. The obtained DW value falls within the range of $dL < DW < 4 - dU$ ($1.6237 < 2.010 < 2.2889$), indicating that there is no autocorrelation present in the regression model.

Hypothesis Testing

Multiple Regression Equation

$$Y = 45.011 - 15.544X_1 - 7.771X_2 + 3.565X_3 + 31.325X_4 + e$$

Interpretation:

Firm size increase by 1 unit → stock return decreases by 15.544.

Debt policy increases by 1 unit → stock return decreases by 7.771.

Financial performance increases by 1 unit → stock return increases by 3.565.

Capital structure increases by 1 unit → stock return increases by 31.325.

F-Test

Based on the results, the calculated F-value is 3.682, which is greater than the F-table value of 2.46 (with degrees of freedom $N-K-1$). Additionally, the significance value is 0.008, which is less than the 0.05 threshold. Therefore, it can be concluded that the variables firm size, debt policy, financial performance, and capital structure have a simultaneous and statistically significant effect on stock returns of mining companies listed on the Indonesia Stock Exchange (IDX) during the period 2018–2024.

T-Test

The hypothesis testing results indicate that among the four independent variables examined, only capital structure has a statistically significant effect on stock returns. The significance value for firm size is 0.917, for debt policy is 0.277, and for financial performance is 0.616 — all of which exceed the 0.05 significance threshold, indicating that these variables do not have a significant impact on the stock returns of mining companies listed on the Indonesia Stock Exchange (IDX) during the 2018–2024 period. In contrast, capital structure shows a significance value of 0.001, which is well below 0.05, suggesting a strong and significant relationship with stock returns. Therefore, it can be concluded that while firm size, debt policy, and financial performance do not individually influence stock returns, capital structure does play a significant role in determining the performance of mining stocks in the Indonesian market during the observed period.

R²

Based on the analysis results, the Adjusted R Square value is 0.094. This indicates that 9.4% of the variation in stock returns can be explained by the four independent variables: firm size, debt policy, financial performance, and capital structure. The remaining 90.6% is attributed to other factors not included in the regression model, such as macroeconomic indicators, industry-specific conditions, or investor sentiment.

5. Conclusions

1. Firm size does not significantly affect mining stock returns.
2. Debt policy does not significantly affect mining stock returns.
3. Financial performance does not significantly affect mining stock returns.
4. Capital structure significantly and positively affects mining stock returns.
5. Collectively, these internal factors have limited influence, as investors focus more on external aspects.

Suggestions

- **For Companies:** Maintain optimal capital structure to signal good risk management and growth prospects.
- **For Investors:** Consider external factors like commodity prices, global economy, and regulations more than internal ratios.
- **For Future Research:** Include external variables such as commodity prices, exchange rates, geopolitical factors, and environmental regulations.

References

- Andika. (2022). Pengaruh Kebijakan Hutang Terhadap Return Saham. *Jurnal Ilmiah Manajemen Dan Bisnis*.
- Brigham, E. F., & Houston, J. F. (2017). *Fundamentals of financial management* (15th or 16th). Cengage Learning.
- Dinarrossi. (2024). Capital structure, liquidity ratio, and company value: Empirical study of manufacturing firms 2018–2021. *Proceedings of the 8th International Conference on Accounting, Business and Economics (ICABE 2024)*. <https://doi.org/10.2991/aebmr.k.240612.001>
- Hanivah, E., & Wijaya, S. P. (2017). Pengaruh Rasio Profitabilitas, Rasio Likuiditas, Rasio Solvabilitas, dan Ukuran Perusahaan Terhadap Return Saham Pada Perusahaan Food and Beverage yang Terdaftar di Bursa Efek Indonesia Periode 2013-2015. *Jurnal Ilmu Dan Riset Akuntansi*, 6(8).
- Hartono, J. (2017). *Teori Portofolio dan Analisis Investasi* (11th ed.). BPFE-Yogyakarta.
- Hery. (2018). *Analisis Laporan Keuangan: Pendekatan Komprehensif*. PT Gramedia Widiasarana Indonesia.
- Jogiyanto, H. (2017). *Teori portofolio dan analisis investasi* (11th ed.). BPFE-Yogyakarta.
- Kasmir. (2016). *Pengantar Manajemen Keuangan*. Kencana Prenada Media Group.
- Kasmir. (2019). *Analisis laporan keuangan*. PT RajaGrafindo Persada.
- Mas'ud, M. (2020). Pengaruh profitabilitas, ukuran perusahaan dan peluang tumbuh terhadap struktur modal. *Jurnal MABIS*, 18(2), 87–96. <https://doi.org/10.31961/mabis.v18i2.122>
- Mulyani, D. (2017). Pengaruh Struktur Modal, Likuiditas Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Sektor Barang Konsumsi Yang

- Terdaftar Di Bursa Efek Indonesia Periode 2013-2015. *Jurnal Ilmu Dan Riset Akuntansi*, 6(4).
- Novianty, W., & May, W. (2018). Pengaruh Ukuran Perusahaan, Umur Perusahaan, Profitabilitas, dan Kebijakan Dividen Terhadap Nilai Perusahaan Manufaktur. *Jurnal Bisnis Dan Akuntansi*, 20(2), 159–170.
- Oktalia, R., Masitoh, E., & Handayani, R. (2020). Analisis Laporan Keuangan Untuk Menilai Kinerja Keuangan Perusahaan Studi Kasus Pada PT. Kimia Farma (Persero) Tbk Periode Tahun 2017-2019. *Jurnal Ilmiah Akuntansi Dan Keuangan*, 3(2), 163–176.
- Putri, R., & Regi, P. (2017). Pengaruh Ukuran Perusahaan, Profitabilitas, dan Leverage Terhadap Nilai Perusahaan pada Perusahaan Food and Beverages yang Terdaftar di Bursa Efek Indonesia Tahun 2013-2015. *Jurnal Akuntansi Keuangan Dan Bisnis*, 10(1).
- Riffandi. (2013). *Pengaruh Struktur Modal terhadap Nilai Perusahaan pada Perusahaan Manufaktur di Bursa Efek Indonesia*.
- Sabil, Y. (2016). Peranan Kinerja Keuangan Terhadap Tingkat Pengembalian Saham Pada Perusahaan Manufaktur Sub Sektor Tekstil dan Garmen yang Terdaftar di Bursa Efek Indonesia. *Jurnal Ilmiah Bisnis Dan Ekonomi Asia*, 10(1), 1–13.
- Saselah, G. O., & Prasetyanta, A. (2020). Analisis Pengaruh Keputusan Investasi, Kebijakan Hutang, Kebijakan Dividen, dan Profitabilitas terhadap Return Saham dengan Nilai Perusahaan Sebagai Variabel Intervening (Studi Kasus pada Perusahaan Perbankan yang Terdaftar Di BEI Periode 2013-2018) *Grac. *Equilibrium Jurnal Bisnis & Akuntansi*, XIV(2), 23–48. <https://www.wartaekonomi.co.id>
- Setiono, A., Suryono, E. S., & Puspitasari, E. (2017). Pengaruh Kebijakan Hutang, Kebijakan Dividen, dan Keputusan Investasi Terhadap Nilai Perusahaan. *Jurnal Ilmu Dan Riset Akuntansi*, 6(8).
- Setyawan, M. F., Yuniarta, G. A., & Sari, M. M. S. (2016). Pengaruh Struktur Modal, Profitabilitas, Dan Kebijakan Dividen Terhadap Nilai Perusahaan Manufaktur Di Bursa Efek Indonesia Tahun 2012-2014. *E-Jurnal Akuntansi*, 14(1), 77–105.
- Siagian, D. N., Pasaribu, N., & Munthe, N. H. (2021). Pengaruh rasio aktivitas, ukuran perusahaan dan leverage terhadap return saham pada perusahaan sub sektor property dan real estate yang terdaftar di Bursa Efek Indonesia periode 2015–2018. *Jurnal Ilmiah MEA*, 5(2), 383–399.
- Tandelilin, E. (2017). *Portofolio dan Investasi: Teori dan Aplikasi* (Edisi Revisi). Kanisius.
- Wahyudi, A. (2022). Pengaruh Profitabilitas, Leverage, Ukuran Perusahaan, Pertumbuhan Penjualan, Dan Laba Akuntansi Terhadap Return Saham Pada BUMN Yang Terdaftar Di BEI Tahun 2018-2020. *Jurnal Ilmiah Akuntansi Kesatuan*, 10(1), 53–62. <https://doi.org/10.37641/jiakes.v10i1.1193>
- Wahyuni, P. A., & Gerianta, A. (2018). Pengaruh Ukuran Perusahaan, Struktur Modal, Dan Profitabilitas Terhadap Nilai Perusahaan Pada Sektor Property Dan Real Estate Di Bursa Efek Indonesia Tahun 2014-2016. *E-Jurnal Manajemen Unud*, 7(1), 164–192.