MARKET REACTION ON CSR MEDIA NEWS DURING COVID 19 PANDEMIC

(Undergraduate Thesis)

By:

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ABSTRACT

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INTAN HILDAYATI

The impacts caused by Covid 19 spreading toward socio-economic condition have
opened the opportunities for companies to carry out CSR program as a form of
social care**.** During the pandemic, a company is re-adapting their CSR programs
according to the current situation where the targets of CSR programs are more
appropriate for those who are affected. By paying the attention to the role of
online media, this research is going to find whether there is a significant
difference in market reaction between Covid CSR news and Non-Covid CSR
news. Using sample of 42 CSR news published by tribunews.com for companies
listed in Indonesian Stock Exchange, this research provides an event study
analysis. The results show that CSR news does not contain an information that can
affect companies stock price, and there is no significant difference in market
reaction between Covid CSR news and Non-Covid CSR news during the
pandemic.

**Keywords: CSR news, media, stock price, market reaction, Covid 19
pandemic.**

ABSTRAK

REAKSI PASAR TERHADAP BERITA MEDIA CSR SELAMA PANDEMI COVID 19

Oleh

INTAN HILDAYATI

Dampak penyebaran Covid 19 terhadap kondisi sosial ekonomi membuka peluang bagi perusahaan untuk melaksanakan program CSR sebagai bentuk kepedulian sosial. Di masa pandemi, perusahaan menyesuaikan kembali program CSR-nya sesuai dengan situasi saat ini dimana target program CSR lebih tepat untuk mereka yang terkena dampak. Dengan memperhatikan peran media online, penelitian ini bertujuan untuk menemukan apakah ada perbedaan reaksi pasar yang signifikan antara berita CSR Covid dan berita CSR Non-Covid. Menggunakan sampel 42 berita CSR yang diterbitkan oleh tribunews.com untuk perusahaan yang terdaftar di Bursa Efek Indonesia, penelitian ini memberikan analisis event study. Hasil penelitian menunjukkan bahwa berita CSR tidak memuat informasi yang dapat mempengaruhi harga saham perusahaan, dan tidak terdapat perbedaan reaksi pasar yang signifikan antara berita CSR Covid dan berita CSR Non-Covid selama masa pandemi.

***Kata Kunci**: Berita CSR, media, harga saham, reaksi pasar, pandemi Covid 19*

MARKET REACTION ON CSR MEDIA NEWS DURING COVID 19 PANDEMIC

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Undergraduate Thesis

As one of the Requirements to Achieve
BACHELOR OF ACCOUNTING

In

Accounting Department

FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITY OF LAMPUNG
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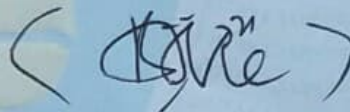
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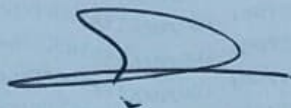Faculty : Economics and Business

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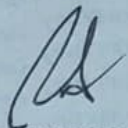Head of The Department of Accounting

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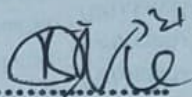NIP. 19700817 199703 2 002
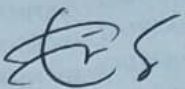
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BIOGRAPHY

The author was born in Tanjung Karang, June 19th, 1999 with full name Intan Hildayati as the oldest child of three siblings. Her father's name is Mr. Hilman Yahya and her mother's name is Mrs. Hartati. The little brother's name is Haryoanda Arsalta and the little sister's name is Bintang Hilmazoana. The author completed her elementary school education from SDN 8 Gedong Air in 2011. The author took the junior high school education in SMPN 10 Bandar Lampung, and graduated in 2014. The author completed the senior high school education in SMAN 16 Bandar Lampung and graduated in 2017. After graduated from senior high school, she continued her study at the University of Lampung with accounting major through SBMPTN.

In the second semester, she selected to be part of International Class and got the scholarship to join the Short Course Program in Japan that was run by Aoyama Gakuin University (AGU) in 2018, and the next year she also joined the International Short Course Program held by Faculty of Economics and Business, University Lampung. During university life, she was chosen to be the secretary of 3rd division in charge of Insight and Creativity in EEC (Economics English Club) and run multiple events during one year of tenure. She also a member of Himakta (Himpunan Mahasiswa Akuntansi) as she is an accounting student.

DEDICATION

Alhamdulillahirabbilalaamiin..

Praise be to Allah SWT for all the grace and blessings given to the author

I dedicate this thesis to:

My dearest parents, Mr. Hilman Yahya and Mrs. Hartati

The countless thanks to Ayah and Buna for the endless prayer, constructive

advices, supporting facilities, and always give the highest trust on me. May Allah

SWT always provide protection and put smile on their face forever.

My dear little brother and sister, Haryoanda and Bintang

Thank you for supporting and being a place to joke whenever I feel unmotivated.

May you both always be showered with happiness.

All of my friends that I can't mention one by one

Thank you for the endless support, and always give me encouragement so that I

can end this college life with the unforgettable memories.

My Almamater, University of Lampung

MOTTO

Never give up. Today is hard, tomorrow will be worse,

but the day after tomorrow will be sunshine.

(Jack Ma)

Why worry? If you have done the very best you can,

then worrying won't make it any better.

(Walt Disney)

I can accept rejection, but not with neglect.

(**Intan Hildayati)**

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The last, for all the help and support, the authors would like to say thank you, may you all get a reply from Allah SWT. The author realizes there are still many shortcomings in the process of writing this thesis. The authors expect criticism or suggestion that can help the author in improving to be better. Thus, hopefully this paper can provide benefits for those who read it.

Bandar Lampung, October 1st, 2021
Author,

Intan Hildayati

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I. INTRODUCTION

1.1. Background

The corona virus crisis has become the world's particular concern in 2020. This crisis has caused shocks not only in the world of health but also has an impact on the world's economy. The health sector is struggling to be able to break the chain of spreading this virus amidst limited human resources and health facilities in handling this virus. The wheels of the economy seem to stop spinning due to the social restriction that is occurred. This leads to further impacts on the social life of the community where social welfare has decreased. Many workers are fired and the small business are struggling to survive due to the current instability of the world's economy. Hence, both of the socio-economic and the health sectors need special attention and assistance in overcoming this crisis. In dealing with this virus, cooperation between various parties in the community is needed to support each other, including the company. Thus, it will open up the opportunities for companies to carry out their corporate social responsibility program as a form of social care.

Corporate social responsibility plays its role in balancing economic growth, social welfare, and the surrounding environment and its implementation has become and obligation for all companies. In practice, implementation of CSR program is a form of company's effort to remain close to the community while still paying attention to the interests of stakeholders. Generally, a company has

their annual CSR programs but since the outbreak of the Covid 19 pandemic, a company need to re-adapt according to the current situation where the targets of CSR programs are more appropriate for those who are affected. Therefore, Covid 19 pandemic has put companies under the test regarding their commitment to corporate social responsibility (He and Harris, 2020). Companies carry out corporate social responsibilty activities to help the government and society in an effort to combat the corona virus crisis which is increasingly occurring in Indonesia. The graph below shows the percentage of some forms of assistance provided by companies to help the government and society during corona virus crisis through their CSR programs.

Figure 1.1: Graphic of CSR Assistance Forms During Corona Virus
Source   : infobrand.id

Companies engage in corporate social responsibility activities are because they perceive that such actions can give contribution to increase competitiveness in the market as well as raising the company's legitimacy in the eyes of various stakeholders (Li *et al.*, 2018). (El Ghoul *et al.*, 2011) argued that corporate social responsibility can increase the investor base and reduce perceived risk. The

potential investors will give positive responses on firms that aware with the current global issue. Thus, corporate social responsibility can attrack investor reactions through stock prices in the market. Moreover, corporate social responsibility initiatives are also can be driven by external demand such as institutional regulations and standards (Li *et al.*, 2018). One of the sectors that are demanded to do corporate social responsibility in this corona virus crisis is BUMN sectors. Ministry of BUMN, Erick Thohir stated that corporate social responsibility funds of BUMN companies for this year will be focused on helping the procurement of medical devices. As a type of company whose ownership is partially controlled by the state, BUMN companies are required to work together with the government to help the society and the state in dealing with this virus. Moreover, this activity is expected can build a positive image of a company which can be used as a way to increase investor confidence back to invest in the midst of a decline in economic performance due to this crisis.

Attraction coming from the investor is influenced by the published information related to the actions of companies concerned about the current social and economic situation. In order to be noticed by the potential investor, media news of corporate social responsibility actions can be used as a tool for a company conveying their action to the various stakeholders. Media can be a platform for companies to convey their commitment to corporate social responsibility to the outside parties to reduce information asymetry (Perez, Salmones and Gutierrez, 2020). The media plays a very important role in times of pandemic, where all information is available online and the level of media usage is increasing since the implementation of social restriction. Hence, the use of the media can be the best

way to convey all information to potential investors that will lead to the market reaction. The previous research has discovered that CSR news significantly affects companies stock market value (Perez, Salmones and Gutierrez, 2020).

This research aims to examine the impact that news of corporate social responsibility actions covered by online media on the market reaction in the current global issue that will be represented by the value of abnormal return of companies listed in Indonesian Stock Exchange during corona virus crisis. This research will focus to compare the impact of Covid CSR news and Non-Covid CSR news toward market reaction. CSR programs to help in dealing with the impacts of Covid 19 are more needed in this current situation than other type of CSR programs since this crisis is being the center of world's attention with all the impacts given in 2020. Therefore, through published CSR news, stakeholders and outside parties will pay more attention to companies that care about the current situation that might lead to the difference market reaction.

Based on the explanation above, this research will take the title **"Market Reaction on CSR Media News during Covid 19 Pandemic"** with sample published news of Covid and Non-Covid corporate social responsibility actions of companies listed in Indonesian Stock Exchange. This research will take the news published on the period of January 2020 to March 2021.

1.2. Research Question

Based on the background that has been explained above, the research question in this research will be:

Is there any significant difference of market reaction between Covid CSR news and Non-Covid CSR news during corona virus crisis?

1.3. Research Objective

Based on the research question above, the objective of this research is to compare the effect of corporate social responsibility news that are carried out for handling corona virus impacts to the other type of good corporate social responsibility news.

1.4. Research Benefits

Based on the research objective in this study, this research is prospected to have benefits both directly and indirectly. The benefits in this research are expected as follows:

1.4.1. Theoretical Benefit

The result of this research is expected to provide the information related to the effects that CSR news have on the market reaction during current global issue. The CSR news published will give a signal for market to react to related information as stated by signaling theory which aims to reduce asymmetry information of what company has done to their external parties. By publishing the news of CSR, it will provide a signal that company still has good prospects in the future even in the current global issue so that it will attrack investors to make an

investment. Moreover, conducting CSR action during current global issue could build good relationship to the stakeholders since it is becoming one of company's way to comply with stakeholder expectation that a company has sense of caring to the current situation as in accordance with the stakeholder theory. In the era of Covid 19 pandemic, CSR action carried out by company has a new purpose which is intended for handling Covid 19 impacts. So besides implementing regular CSR programs that company had, a comapany also participated in CSR which is intended for Covid cases. Through online media, Covid CSR news is such a new information for market. Compare to the Non-Covid CSR news, it will examine the efficiency of market towards new type of information.

1.4.2. Practical Benefits

a. For The Companies

The result of this study is prospected to contribute to the company as a material of consideration to attract the investor's reactions in the current global issue by conducting corporate social responsibility activities and conveying its information through media news.

b. For The Investors

The result of this research is prospected to supply information to investors as a material for considering in making the decisions to invest by paying the attention to the news of corporate social responsibility activities covered by online media during current global issue of Covid 19 pandemic.

II.   LITERATURE REVIEW

2.1.   Theoretical Basis

2.1.1. Signaling Theory

Theory of signal is beneficial to decribe behavior of two parties both individuals and organizations which they have access to differ information. Typically, one party as the sender, have to choose whether and how to convey or give a signal of information, and the other party as the receiver, have to choose how to understand what the signal means (Connelly *et al.*, 2011).

The impact of the spread of Covid 19 virus encourages company to have concern as an effort to contribute with the government to overcome its effects. Through CSR activities especially intended for Covid, it will build good public opinion for a company for its contribution to the current situation. In addition, amidst unstable economic conditions, CSR activities carried out by companies can provide information for investors that company still has the ability to survive. Such favorable public opinion will form a strong basis for investors to make investments. For this reason, the company will always ensure that information related to the company's activities is conveyed to investors and shareholders.

Signaling theory explains why a company has the intention to give the information to external parties. The intention of the company in conveying the information is urged from the asymmetry information between company and

outside parties while information inside company is becoming a signal for market participants to make an investment and influence future firm's prospects (Wijaya and Linawati, 2015). One of the ways to reduce an information asymmetry is to share signals to external parties. Through media news of corporate social responsibility actions, it will provide a signal that company still has good prospects even in the middle of pandemic. This publication will show how market reacts to some kind of information including corporate social responsibility activities.

2.1.2. Market Efficiency Theory

The efficient market was interpreted as a market with a great level of rationality, profit-maximizers compete actively, with each try over to predict individual securities market values in the future, and where all market participants can access current important information that is almost freely available in the market (Titan, 2015). The available information can include past information, current information, as well information that is an opinion or rational opinion that can be circulated affect price changes. The hypothesis of market efficiency has predicted that the market is going to give a positive response to good news, and vice versa.

The Covid 19 impacts have made company aware to participate in this difficult situation. Through the CSR program, a company has adapted their CSR programs to overcome the impacts caused by the spread of this virus since it is the most needed for many affected parties. There is a new different purpose from CSR programs that are usually carried out by companies. Because of the different

situations, CSR news which is intended for overcoming Covid 19 impacts and Non-Covid CSR news that is usually done regularly by companies can be two kinds of information that can be absorbed by the market. It will determine how efficient the market in responding these two kinds of information that will be reflected by stock prices. There are three types of information sets distinguished by Fama in Godfrey, et al (2010) as follows:

a. Weak Form

At this level, the price of a security at any given time fully reflects the information contained in its past price sequence. It means that investors can not take advantage of extracting information based on price cycles, price patterns, or other rules.

b. Semistrong Form

This form declares that a security's price levels fully reflect all publicly available information, other than previous prices. It indicates that there are no profitable trading strategies available to make excess profit from analyzing publicly available economic, political, legal or financial data.

c. Strong Form

Strong form proposes that a security's price fully reflects all information on a market including non publically information such as private information related to the financial asset.

2.1.3. Stakeholder Theory

Building good relationship to the stakeholder is becoming one of major focus that company need to pay in attention. Becoming successful business is not only all about creating high profit because stakeholder theory stated that a

successful companies, one of which is usually represented by financial performance, is depending largely on its capability to meet a demand of stakeholder expectations and to fulfill their assorted information-related needs (Nekhili *et al.*, 2017). Stakeholders are taken into consideration for company's management in disclosing some kind of information in an effort to increase market value. In the pandemic situation, government and society as a part of stakeholders are expecting that company could give their concern through CSR program in an effort to combat the virus. To increase market value, company should disclose their CSR activities to their stakeholders. Online media can be a platform for the company to disclose their CSR activities so that the information can be received by the stakeholders. This information can be used as a tool for stakeholders in making their decisions as a result of the activities undertaken. For a company itself, it can be used as a tool to attrack stakeholder's attention then high potentially getting the support. As stated by (Nekhili *et al.*, 2017), stakeholder theory can provide a good framework to understand the effect of corporate social responsibility news covered by media on market value. Therefore, CSR news covered by online media can be used to describe the link between company and its stakeholders.

2.1.4. News of Corporate Social Responsibility

The media in the business environment is one of the dominant factors in the effort to build public opinion through the activities organized by company. Corporate social responsibility is becoming one of the activities for company to build the good image. Corporate social responsibility is a commitment that comes from company in an effort to be involved to improve social life, economic and

environmental life through business activities (Baskentli *et al.*, 2019). A company communicates corporate social responsibility information to outside parties through several ways, one of them through media news. Media news has become a popular way in communicating an information. The media is known to be one of the best sources that can influence public opinion, including in terms of corporate social responsibility (Perez *et al.*, 2019). The increasing use of the internet makes online media or websites becoming the most effective media nowadays. It is supported by the situation where the corona virus crisis has shifted human life to online basis so that the society will received the information given by the online media quickly. The news of corporate social responsibility covered by media has given a great effect on the companies market value because media can be used as a reliable source of companies information for outside parties, especially shareholders (Perez *et al.*, 2019). Corporate social responsibility news will give some kind of information to the outside parties that will lead to the market reaction. This news will also reduce the information asymetry between companies and external parties.

2.1.5. Abnormal Return

The market will react when there is a change in the share price of a company. Changes in share price are triggered by an event that contains information in the market. This changes can affect the investment decisions of investors. To determine the market reaction to a type of information, abnormal return can be used as a measure whether the market reacts to a type of information. Abnormal returns can be defined as the difference between the actual return and the actual market return or also known as an expected return (Filsaraei,

Azarberahman and Azarberahman, 2013). Basically, the investor's goal in investing is to maximize returns. Returns can be divided into an actual return and an expected return.

2.1.4.1. Actual Return

According to Jogiyanto (2008) in (Suryanto, 2015) actual return is the return that has already happened. It can be calculated by using historical data and can be used as a company performance measurement to determine the expected return and risk in the future. The profit or loss resulting from the actual return can be calculated by finding the difference between the current period of share price and the share price before period.

2.1.4.2. Expected Return

According to (Tandeililin, 2010) return expectations can be defined as a future investment return and there may be discrepancy with the actual returns received by the investors. Therefore, the expected return is still considered as an uncertain return. Expected return can be calculated using some estimated model as follows:

a. Mean Adjusted Model

This estimation model is assuming that the expected return is unchanged or constant, which equals to the mean value of the previous actual returns during the period of estimation. The period used in the model of estimation is the period before the event begin.

b. Market Model

This estimation model is a model for calculating expected returns by forming a model of expectation from the realization data during the period of estimation and using it to estimate the expected return in the window or event period. This model using an OLS (Ordinary Least Square) regression in forming an expectation model.

c. Market Adjusted Model

Market-Adjusted Model is using the market index return at the time of calculation for estimating the security's return since this model assumes that it is the best way to estimate the security's return. To establish a model of estimation, this model doesn't need to use the period of estimation, because the estimated security's return is equal to market index return. An example of a market index that can be selected for the market of a company listed on the Indonesian stock exchange is the composite stock price index.

2.2. Previous Research

No.	Author(s)	Research Title	Variables	Result
1.	(Perez, Gutierrez and Salmones, 2019)	Do all CSR News Affect Market Value Equally?	Dependent: Abnormal Returns Independent: CSR News	- Negative CSR news related to investor and customer have a significant effect on the abnormal returns - Positive CSR news related to employee has a significant effect on market reaction.

2.	(Perez *et al.*, 2019)	Stakeholder Salience, Positive CSR News And The Market Value Of Banks	Dependent: Abnormal Returns Independent: CSR Articles	- Positive CSR news related to investors, customesrs, employees, and communities have positive effect on the abnormal returns.
3.	(Murashima, 2020)	Do Investors' Reactions To CSR-Related News Communication Differ By Shareholder? An Empirical Analysis From Japan	Dependent: Investors' reactions Independent: Firms' corporate social responsibility (CSR)-related news announcements between individuals and institutions.	There are different result in this study which are: - Individual research are more sensitive to positive CSR news, meanwhile - Institutional investor are more concerened to negative CSR news.
4.	(Groening and Kanuri, 2016)	Investor Reactions to Concurrent Positive and Negative Stakeholder News	Dependent: Firm Value Independent: Investor reaction to same day news of corporate social responsibility (CSR) and corporate social irresponsibility (CSiR) activities.	There are several results in this study which: - Institutional CSR or technical CSR can amelorated the negative stock market caused by corporate social irresponsibility. - Institutional CSR can increase trading volatility of a company while technical CSR can't.
5.	(Manuela and Brincekamann, 2019)	Impact of CSR-Relevant News on Stock Prices of Companies Listed in the Austrian Traded Index (ATX)	Dependent: Stock Price Independent: CSR-relevant news	The result of this study didn't show a significant effect of negative CSR relevant news to company's stock prices.

2.3. Research Framework
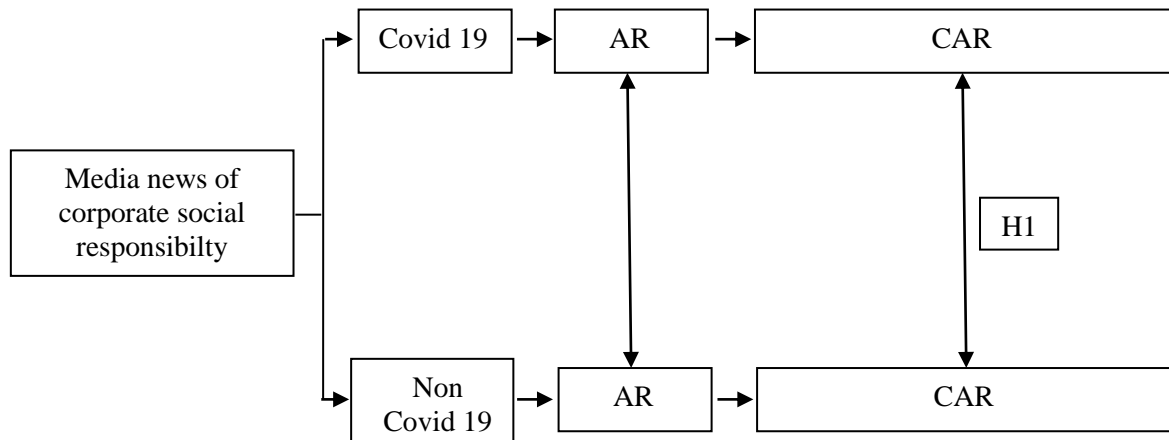
2.4. Hypothesis Development

2.4.1. The difference of market reaction between news of Covid corporate social responsibility and news of Non-Covid corporate social responsibility.

Being socially responsible is becoming one of the ways that company can do in maintaining the good relationship to the various stakeholders. A company will continue to strive to build their good image for all stakeholders through their CSR programs. Basically, a company already has an annual CSR programs which they implement every year but in 2020, the world is faced with a crisis due to the spread of the corona virus. The impact has caused many parties to experience difficulties in both the health and socio-economic sectors. Therefore, cooperation of all parties is needed to help each other in dealing with the impact of this crisis. One of the parties expected to be able to help the state during this crisis is company. Through the corporate social responsibility programs, a company is expected can show its concern for the current situation. A company may

reconsider about what kind of CSR program they have to implement because in this crisis, CSR program intended to help in dealing with this virus is more needed for those who are affected rather than other type of CSR programs. It might happen since the corona virus became the center of world's attention. Companies with good CSR are possible to receive the trust from different stakeholders because this provides an indicator of good-quality management (Zhu *et al.,* 2013). Engaging in CSR during a Covid 19 crisis especially intended to help overcome the impacts may attract great public attention to companies in hope to build their firm image high and influence investor decisions during unstable economic condition. The result by (Qiu *et al*., 2021) implied that stakeholders rewarded companies that carry out CSR during Covid 19 pandemic in the form of stock market.

Stakeholders demand arises when they receive information related to the actions of firm's concern about the current social and economic situation. The effective communication of the firm's CSR activities to the largest group of stakeholders and the level of involvement can determine the strength and impact of CSR activities itself (Jizi *et al.,* 2016). Media can be an effective platform to communicate firm's CSR activities to their stakeholders. This published media news can be a means of conveying information of company activities to their potential investors. By conducting Covid corporate social responsibility action during this crisis and published by the media, it is expected that company will be more valued by investors in the form of stock prices rather than Non-Covid corporate social responsibility. Based on this explanation, the following hypothesis formulated in this research is:

H1: There is a significant difference in market reaction between news of Covid corporate social responsibility action and news of Non-Covid corporate social responsibility action during corona virus crisis.

III.   METHODOLOGY

3.1   Research Type

The type of this research is using quantitative approach. This research will observe the abnormal returns around the days of CSR-related media news was published. This research is a type of research that examines the market reaction to an event or what is commonly called an event study. Event study is used to determine the content of an information about an event that is occurred. If an event contains information then it is likely that the market will react when it receives the information. In this research, online media news of CSR, whether carried out for the purpose of handling Covid or Non-Covid impacts, is becoming the information that indicates even in the midst of economic instability, a company still has concern for both social and environmental surroundings. This information is expected to be received by the market then can be used as material for considering in making investment.

3.2   Data and Sources of Data

The data used in this study are secondary data whereas the data sources do not directly provide to the author. The data of news for Covid and Non-Covid corporate social responsibility actions used in this research are collected from most visited online news and media ranked by SimilarWeb. SimilarWeb is one of

the tools that can be used to find out the traffic of a website. Traffic is one of the important things in a website because traffic can show the number of visitors who visit the website. Based on the data from SimilarWeb updated on 1st December 2020, tribunnews.com is becoming the most visited media and news website in 2020. It is also supported by several websites including allyoucanread.com, akudigital.com, and alexa.com as one of the most visited websites in 2020. Meanwhile www.finance.yahoo.com and also idx.co.id will be used in this research to get the data in the form of stocks price in each companies that have corporate social responsibility news covered by tribunnews.com. This research will use 11 days window period around the event date.

3.3   Research Population and Sample

The population used in this research is Covid and Non-Covid corporate social responsibility actions covered by online media on January 2020 to March 2021 for companies listed in Indonesian Stock Exchange during corona virus crisis. Meanwhile for determining the samples, the researcher will use purposive sampling technique. This technique will characterize the sample based on the objectives of the research. The criteria for selecting samples in this study are as follows:

a. The listed company has published corporate social responsibility activities by the tribunnews.com during the observation period both to help in handling Covid 19 virus and other types of positive corporate social responsibility activities.

b. The observation window around the news published periods for the same company should not overlap each other to avoid any distraction effects.

c. The published news should be on a day when market is open.

Based on those criteria, there are 42 samples of CSR news that meet the criteria with the following details:

No	Description	Number of CSR news
1	Published CSR news of listed company.	58
2	The observation window around the date of news published for the same company overlaps each other.	(7)
3	CSR news is published when market is close.	(9)
4	Total CSR news 1. Intended for Covid (21) 2. Intended for Non-Covid (21)	42

3.4   Operational and Research Variable Measurement

3.4.1.   Independent Variable

The independent variable of this study is news of Covid and Non-Covid corporate social responsibility activities published by tribunnews.com. Media plays its role in conveying the information related to the firm's CSR activities to the market so it can be the tool for company to disclose their social activities to the outside parties. The keywords used in this research to find the related news are CSR program, Covid CSR, *bantuan* CSR, also using a specific month and year during the observation period.

3.4.2.   Dependent Variable

The dependent variable in this study is market reaction that will be represented by abnormal returns. Abnormal return is a form of market reaction that occurs when the market captures information from a revealed event. Abnormal returns can be measured by finding the difference value between the actual return and the expected return. Hence, the actual return and the expected return need to be calculated first before finding the value of abnormal return.

3.4.2.1. Actual Return

According to (Jogiyanto, 2010) the formula in calculating the actual return is as follows:

$$R_{i,t} = \frac{P_t - (P_t - 1)}{P_t - 1}$$

Informations:

$R_{i,t}$ = Security realization return i on t day

P_t = Security stock price i on t day

$P_t - 1$ = Security stock price i on t-1 day

3.4.2.2. Expected Return

In this study, the return expected by investors will be calculated based on the market adjusted model. It is considered to be used because this model using the market index return at the time of observation and assumed that market index return is the same as estimated return. According to (Jogiyanto, 2010) the formula in calculating the expected return is as follows:

$$E\ [Ri_t] = \frac{IHSG_t - IHSG_{t-1}}{IHSG_{t-1}}$$

Informations:

E [Ri$_t$]   = Expected market return

IHSG$_t$ = Market price indeks on t period

IHSG$_{t-1}$ = Market price indeks on t-1 before period

3.4.2.3. Abnormal Return

After calculating the actual and expected return, the value of the difference between those return will be called as an abnormal return. The abnormal returns will be calculated over the event window around the event date. According to (Jogiyanto, 2010) the formula in calculating the abnormal return as follows:

$$AR_{i,t} = R_{i,t} - E(R_{i,t})$$

Informations:

AR$_{i,t}$ = Abnormal return for security i on t event

R$_{i,t}$ = Actual return for security i on t event

E(R$_{i,t}$) = Expected return for security i on t event

To compare the whole impact of the difference between Covid CSR news and Non-Covid CSR news on a stock price, the cumulative abnormal returns (CAR) are measured. The CAR is defined as the sum of a stock's abnormal returns over the event window period. The CAR will be calculated over 11 days around the date of published news.

3.5   Data Analyze Method

3.5.1. Descriptive Statistics

Descriptive statistics will be used to arrange and summarize the research data (Holcomb, 2017). It gives a   simple summarize about the sample and the measures without intending to make generally accepted conclussions. In this reasearch, the value of cumulative abnormal return on the event date will be described using descriptive statistics. It will describe the value of cumulative abnormal return by showing the value of minimum, maximum, mean, and also standard deviation of each event date.

3.5.2. Event Study

The event study is a method used to determine the market reaction to an event at a certain time. The event study has the objective to assess the extent to which investors earn excess or abnormal stock returns from an event that carries new informational content (Sorescu, Warren and Ertekin, 2017). They argued that to conduct the event study, an announcement or an event whose new informational content is becoming the main element needed. The events that contain information will provoke a market reaction, indicated by an abnormal return and vice versa. Under this method, the abnormal return will be calculated through the daily returns of actual and expected return on a given day by substracting them.

3.6 Research Instrument Test

3.6.1. Normality Test

According to (Gujarati and Porter, 2013), normality test has a purpose to test whether the residual variables on the model have a normal distribution or not. (Mishra *et al.*, 2019) argued that normality test is one of the requirements that must be met in the parametric test. Two methods commonly used are the Kolmogorov–Smirnov test and the Shapiro–Wilk test. This study uses a level of significance of 5%, where if the significance value is more than 5%, then the data used in the study have normal distribution, whereas if the significance value is less than 5%, then the data used in the study can not be assumed to have normal distribution (Ghozali, 2011).

3.7 Hypothesis Test

3.7.1. One Sample Wilcoxon-Signed Rank Test

The one-sample Wilcoxon-signed rank test is a non-parametric alternative to one-sample t-test when the data cannot be assumed to have normal distribution (Cleophas and Zwinderman, 2016). This test is used to determine whether there is information containing on the CSR news towards market reaction during this crisis by determining whether the median of the sample is equal to a given standard value. It is based on ranks and because of that, the location parameter is not the mean but the median.

3.7.2. Man-Whitney Test

Man-Whitney test or also known as U test is used to determine if two independent groups are from the same population (MacFarland and Yates, 2016). This test will determine if there are statistically significant differences between both groups. This test is part of non-parametric test and it can be used as the alternative of independent t test. Non-parametric test can be used to test the hypothesis while the data does not meet normal assumptions. The decision-making criteria in this test will be:

a. if the significant value (2 tailed) > 0.05 then Ho is accepted, Ha is rejected

b. if the significant value (2 tailed) < 0.05 then Ho is rejected, Ha is accepted

V.   CONCLUSION AND SUGGESTION

5.1   Conclusion

The purpose of this research is to find the the difference of market reaction on published news of Covid CSR and Non-Covid CSR. The media used in this research is coming up from most visited online media and news which is tribunnews.com. The sample used in this research is CSR news of listed company that has published on tribunnews.com. The author collects 42 data of CSR news from tribunnews.com to become the research sample. The sample is divided into two groups to be compared which 21 news are classified as Covid CSR news and the other 21 news are classified as Non-Covid CSR news based on content analysis. According to the results, the author found that there is no effect of CSR news both Covid CSR news and Non-Covid CSR news on stock prices of companies. Both group of those CSR news also has no significant difference in market reaction or simply the hypothesis in this research is rejected.

5.2   Research Limitations

There are several limitations in this research. These are some   following limitations of this study:

1. This research only has limited sample of 42 news of listed company which is saparated into two groups. This research also only take a short period of time between January 2020 to March 2021.

2. This research only examined good CSR news and did not split the news of CSR into good CSR news and bad CSR news.

3. No research appears to have found the difference of market reaction between two types of good corporate social responsibility so that this research only supported by the theory of efficiency market.

5.3 Suggestions

Based on the results of this research, the suggestions that can be given by the author for the next research are as follows:

1. The next researcher is expected to find more literature which accordance to the topic and put more attention to the outside factors that may offend the news.

2. The next researcher can add more samples and period to see more broadly the difference of CSR news have on stock market value during crisis.

3. The next researcher is expected to split the CSR news into positive and negative news also can split the CSR news into specific type of CSR to see which one is more responsive to the market.

4. The next researcher can use the other methods in calculating abnormal return such as mean adjusted model, market model, and other estimation models in order for next researcher can get new information and can find out what kind of method that is most suitable for assessing the performance of stock price through corporate social responsibility news.

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