The Mediation Role Of Profitability In The Relationship Between Corporate Social Responsibility Disclosure And Stock Returns: Evidence From Indonesia

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Abstract. This study aims to determine the effect of disclosure of corporate social responsibility on stock returns through profitability in ESG Leaders companies listed on the Indonesia Stock Exchange. The sample in this study was obtained using the purposive sampling method for ESG Leaders companies listed on the Indonesia Stock Exchange in 2019–2021, so a sample of 17 companies or around 51 observations was obtained. Based on the results of research according to Common Effect (CEM) with GLS, (1) there is a positive relationship between CSR disclosure and profitability. (2) There is a positive relationship between profitability (ROA) and stock return. (3) There is no relationship between CSR disclosure and share returns at ESG Leaders index companies for 2019–2021. Furthermore, (4) profitability is able to mediate the effect of CSR disclosure on stock returns for ESG Leaders index companies for 2019–2021.

Keywords: corporate social responsibility, profitability, stock return.

1 Introduction

Economic growth in a country can be used as a measuring tool to analyse the level of economic development in that country. One of them can be seen in the development of the capital market. According to Harfiani (2020), the role of the capital market is very important for the economy of a country where the capital market itself has a function as a means for business funding or as a means for companies to obtain funds from the investor community (investors). A company is an entity or organisation that has short-term and long-term goals. The company's short-term goal is to make a profit, while the long-term goal is to maximise the wealth of shareholders by maximising the value of the company.

The Indonesia Stock Exchange (IDX) is the official party that provides capital market infrastructure, especially regarding companies listed on the IDX for trading in securities on the Indonesian capital market, which currently has 42 stock indexes in which there are 2 indexes that pay attention to environment, social, and governance listed on the Indonesia Stock Exchange, namely the SRI-KEHATI index and the ESG Leaders index. When someone invests in the capital market, investors basically have many choices of indices that can be used as a trading reference. Then, these investors will invest their funds to obtain returns in the form of dividends and capital gains, as well as partial

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ownership rights to the company. The company's goal in investing in stock returns is to maximise the welfare of shareholders by maximising the value of the company's shares, which will ultimately reflect the stock return (Aryaningsih et al., 2018). Stock returns also reflect the value of a company. So that before investors first examine the company's financial statements and see the achievements of the company, the company's achievements can certainly affect stock returns. where the company's achievements can be seen or measured through several financial ratios (Harfiani, 2020). If investors prefer to invest in the long term, stock indexes that are closely related to environmental sustainability and corporate social responsibility have brighter long-term prospects (Zulkafli and Ahmad, 2017).

One of the factors that influences stock returns is profitability. Profitability ratios are often used as a benchmark in determining stock returns. Because the profitability ratio is a company's ability to obtain profit (profit) from income (earnings) related to sales, assets, and equity based on certain measurements, The higher the profit generated, the higher the stock returns obtained by investors. Included in this ratio are return on assets (ROA), return on equity (ROE), and earnings per share (EPS) (Machruzar and Adi, 2020). Return on assets (ROA) is the overall effectiveness of management in generating profits with available assets. Return on equity (ROE) is a measure of the results obtained by shareholders throughout the year. And earning per share (EPS) shows the amount of money generated from each common share (Sorongan, 2019). In this study, the authors will use the ratio of return on assets (ROA) as a ratio of profitability. Return on assets (ROA) focuses on the company's ability to earn earnings in the entire company's operations (Wijaya, 2019).

Profitability refers to the company's internal performance, while stock returns refer to the company's external performance. One of the factors that influences these two performances is CSR disclosure. At this time, CSR disclosure has become a hot issue among stakeholders. Awareness of the importance of practising CSR has become a global trend, along with the increasing concern for prioritising stakeholders (Ahyani and Puspitasari, 2019). The current environmental problems are accompanied by uncertain market conditions, such as the global financial crisis. This raises demands for companies to be more environmentally and socially responsible.

Corporate social responsibility can be used as a new marketing tool for companies if it is carried out on a long-term or sustainable basis. Carrying out various CSR activities means that the company must incur a number of costs, and the costs will ultimately become a burden that must be borne by the company, thereby reducing revenue and resulting in a decrease in the company's profit level. However, on the positive side, by carrying out CSR activities, the company's image will be better in the eyes of the public, so that community loyalty to the company will be higher (Pratiwi et al., 2020; Jaja Suteja et al., 2023). The issue of CSR disclosure has become increasingly hot after the issuance of Minister of Environment of the Republic of Indonesia Number 3 of 2014 regarding the company's performance rating programme in managing the environment. Sustainable development encourages companies to actively participate in assessing efforts to preserve the environment. One of these efforts is through CSR activities.

The reason for choosing the ESG Leaders index is because this index contains 30 stocks with good environmental, social, and governance (ESG) assessments, have never been involved in significant controversy, and have good transaction liquidity and financial performance (https://www.idx.co.id).

These stock indexes are also generally well-established and stable issuers, making them attractive to institutional investors. On the other hand, currently, retail investors tend to still look at company performance factors before looking at ESG factors before making an investment. Because the issue of corporate social responsibility in the social environment is increasingly being highlighted, this study is intended to analyse the effect of corporate social responsibility included in the ESG Leaders stock sub-index listed on the Indonesia Stock Exchange on profitability and stock returns that will be generated.

Researchers also found several other studies that reviewed the effect of corporate social responsibility on financial performance with inconsistent results. Namely, research conducted by Natalia Koloay (2018) concluded that corporate social responsibility does not affect the financial performance of mining sector companies listed on the Indonesia Stock Exchange. Maharaida and Kurnia (2020) also state that there is no effect of CSR on stock returns, and profitability does not mediate the effect of CSR on stock returns in manufacturing sector companies listed on the Indonesia Stock Exchange. Meanwhile, research conducted by Mayangsari (2020) concluded the results of his research by saying that CSR is able to contribute to increasing profitability and stock returns in banking sector companies listed on the Indonesia Stock Exchange. As well, research conducted by Alfawaz and Fathah (2022) states that there is an influence of CSR on the financial performance of companies in the health industry sector that are listed on the Indonesia Stock Exchange.

Based on the description of the background of the problem that has been stated previously, the problem formulation that can be drawn is as follows: (1) What is the effect of CSR disclosure on profitability in ESG Leaders index companies in 2019-2021? (2) What is the effect of profitability on stock returns in the ESG Leaders index companies for 2019-2021? (3) What is the role of mediating profitability on the effect of CSR disclosure on stock returns at ESG Leaders index companies in 2019-2021? (4) What is the effect of CSR disclosure on stock returns at ESG Leaders index companies in 2019-2021?

2 Related Work

Investors will invest their funds to obtain returns in the form of dividends and capital gains, as well as to obtain partial ownership rights over the company. High stock prices make the company's value also high and increase market confidence not only in the company's current performance but also in the company's future prospects (Harfiani, 2020). Companies that are able to maintain share prices in the capital market will also increase investor confidence to invest their shares in the company. In addition to getting profit, the company certainly has a goal to maximise the level of prosperity of the company owner or shareholder. The increase in stock prices is very influential on the level of prosperity of the shareholders. In addition to considering the stock returns that will be received when making investments, investors also consider the value and performance of the company (Nitasari and Kurnia, 2016). So from the description of the problem, the hypothesis developed in this study is based on the theory developed in previous research, which is described as follows:

Effect of CSR Disclosure on Profitability

The profitability ratio shows the ability of a company to generate profits so that the company will have more funds to carry out social activities, which will have an impact on the more information that can be disclosed in the sustainability report. The greater the company's influence on improving the economy around which it operates, it will attract investors to invest and customer interest, which will increase sales. Therefore, the better the disclosure of economic performance, the better the profitability of the company. The relationship between CSR and profitability is positive, meaning that the higher the company's CSR activities, the higher the profitability that will be obtained by the company. This is evidenced by the results of research conducted by Kukunuru and Singh (2017:12); Mayangsari (2020:34); and Muraleetharan (2020:70), which state that CSR has a significant effect on company profitability.

H1. CSR Disclosure Affects Profitability

Effect of Profitability on Stock Returns

According to Eduardus Tandelin (2017), return on assets (ROA) is a measure of a company's ability to generate profits (return) by utilising its assets. A high return on asset value can provide an informational picture that the company's ability to generate profits is also good; this will attract investors to buy shares and invest their funds so that it will have an impact on increasing stock returns that will be enjoyed by shareholders (Mayuni and Suarjaya, 2018). Profitability can affect the percentage of company stock returns; this is evidenced by the research results of Aryanti and Mawardi (2016: 54); Fathony, Khaq, and Endri (2020:240); and Nurdin and Abdani (2020:52), which stated that profitability has a significant effect on stock returns. And Nadyayani and Suarjaya (2021:695) state that profitability has no significant positive effect on stock returns.

H2. Profitability affects stock returns.

Profitability Mediates the Effect of CSR Disclosure on Stock Returns

Disclosure of CSR shows that the company's good image in the long run will increase company profits (profitability). Investors are interested in investing capital, which affects the company's stock return. The better the profitability growth, the more likely it is that the company's prospects in the future are considered to be even better, meaning that the company's value is getting better in the eyes of investors. Increased stock prices reflect good company value for investors. This is proven in the results of research conducted by Dianawati and Fuadati (2016) and Oktariko and Amanah (2018), which state that profitability is able to mediate CSR on stock returns. However, the results of Wahyuni's research (2018) stated that profitability, as measured by return on assets (ROA), partially had no significant effect on company value.

H3. Profitability mediates the effect of CSR disclosure on stock returns.

Effect of CSR Disclosure on Stock Returns

Lindawati and Puspita (2015) state that a good image will increase stock prices. This happens because there is certainty for investors that the company will operate without any rejection by the public. This is supported by the results of research conducted by Nitasari and Kurnia (2016), which stated that there is an effect of CSR on stock returns. Research conducted by Mayangsari (2020) also states that CSR has a significant influence on stock returns. The results of other research conducted by Li, Wei, and Chunyan (2021) also state that CSR has a significant and positive relationship with company stock returns.

H4. CSR Disclosure Affects Stock Returns

3 Methods

The population used in this study is the annual report of the ESG Leaders stock index company listed on the Indonesia Stock Exchange for 2019–2021. From a total population of 30 companies, purposive sampling was carried out, which resulted in 17 companies that could be used as research references. That way, researchers get a total of 51 observations that can be obtained. The dependent variable in this study is stock return; the mediating variable in this study is projected profitability through ROA (return on assets); and the independent variable in this study is disclosure of corporate social responsibility (CSR). A complete list of the variable definitions is presented in Table 1.

Table 1. Variable Definitions

Variable	Variable Concept	Measurement
Disclosure of Corporate Social Responsibility (X)	CSR measurement is assessing each item disclosed in the company's annual report and sustainability report. CSR has indicators that are seen based on the CSR disclosure index using standards from the GRI (Global Report Initiative). These indicators have 91 categories (items) of activities carried out by the company. (GRI G4, 2013)	CSRD = (Number of items disclosed)/91

Because this study makes use of the verification method, it is important to test the hypothesis in order to determine whether or not CSR disclosure has an effect on profitability-mediated stock returns. Panel data, which are used in the research, are a blend of time series data and cross-section data. In light of this, the panel data regression equation model that it generates looks like this:

$$\text{Profitability} = \beta_1 + \beta_2 \text{ CSR Disclosure}_{it} + U_{it} \tag{1}$$

$$\text{Stock Return} = \beta_1 + \beta_2 \text{ CSR Disclosure}_{it} + \beta_3 \text{ Profitability}_{it} + U_{it} \tag{2}$$

Methods for conducting regression analysis on panel data, include the common effect model (CEM), the fixed effect model (FEM), and the random effect model (REM). In addition, the Chow Test, the Hausman Test, and the Lagrange Multiplier Test were carried out in order to decide which model was the superior option. In order to differentiate between the common effect model (CEM) and the fixed effect model (FEM), a test known as the Chow Test was carried out. In order to decide which model to use between the Fixed Effect Model (FEM) and the Random Effect Model (REM), the Hausman Test was carried out. The Lagrange Multiplier Test is a statistical procedure that compares two different models, namely the common effect model (CEM) and the random effect model (REM). After that, we put the traditional model assumptions to the test by using it. This research makes use of two of the most common types of assumption tests, namely the multicollinearity test and the heteroscedasticity test. Two other tests, namely normality and autocorrelation, were not carried out because the sample utilised was greater than 40 samples (Ghasemi & Zahediasl, 2012). Furthermore, autocorrelation problems were treated utilising the GLS (Generalised Least Square) model (Gujarati & Porter, 2008).

4 Result and Discussion

Table 2 shows the results of the descriptive statistics. It can be shown that the independent variable (X), namely CSR disclosure, has a maximum value of 0.659341, or 65.93%. while the minimum value is 0.307692, or 30.77%. CSR disclosure has an average (mean) of 0.482224, or 48.22%, with a standard deviation of 0.083911, or 8.39% per year. This shows that the standard deviation of the level of CSR disclosure has a lower value than the average. The level of CSR disclosure shows that the data indicates good results because the standard deviation that reflects data deviations is low or homogeneous. The intervening/mediation variable (Y), namely profitability proxied by ROA, has a maximum value of 0.358000, or 35.80%. while the minimum value is -0.086400, or -8.64%. ROA has an average (mean) of 0.065390 with a standard deviation of 0.091133. This average value means that the average ability of ESG Leaders index companies to generate profits from their assets is 6.54%. The standard deviation that shows the size of the spread of company size data is large; this is supported by the standard deviation value, which is getting further away from the average value, and the size of the spread is getting bigger, which causes the deviation to be bigger or the data to be heterogeneous. And the dependent variable (Y), namely stock return, has a maximum value of 4.228000, or 422.80%. While the minimum value is -0.441000 or -44.10%, Stock returns have an average (mean) of 0.168941 with a standard deviation of 0.741922. This average value means that the rate of return on the company's shares is 16.89%. The standard deviation that shows the size of the spread of company size data is large; this is supported by the standard deviation value, which is getting further away from the average value, and the size of the spread is getting bigger, which causes the deviation to be bigger or the data to be heterogeneous.

Table 2. Descriptive Statisitc.

	CSR	ROA	RS
Mean	0,482224	0,065390	0,168941
Median	0,461538	0,025200	0,000000
Maximum	0,659341	0,358000	4,228000
Minimum	0,307692	-0,086400	-0,441000
Std. Dev.	0,083911	0,091133	0,741922

Source: processed data, 2023

Table 3 presents the correlation matrix of the variables in the research model. There is no correlation between the independent variables that have a value > 0.8, except for the profitability variable, which tends to be moderate. This can be seen from the results of the respective correlation values, namely profitability (0.273781) and SR (stock return) (-0.143298).

Table 3. Correlation Matrix.

Variable	Correlation Matrix		
	1	2	3
CSR	1,000000	-	-
ROA	0,273781	1,000000	-
SR	-0,143298	-0,122643	1,000000

Source: processed data, 2023

The result of panel test 1 is shown in Table 4. The model specification test is shown first to determine which model is feasible to use. The results of the Chow test and Hausman test show that the common effect model with GLS is the most feasible. Then, a lagrange test is carried out to ascertain whether the common effect or random effect is selected. However, in this study, the Lagrange test could not be carried out because the common effect and random effect models used the GLS approach. Furthermore, in model 1, the panel data test uses the heteroscedasticity test as a classic assumption test. The multicollinearity test was not tested for model 1 because there is only one independent variable, namely CSR. The results of the heteroscedasticity test show that there are no symptoms of heteroscedasticity in this model 1 regression model. This can be seen based on the significance value of each independent variable as an absolute residual value that is greater than 0.05.

Based on the output results in Table 4, it shows that FEM with GLS was selected based on the Chow test (Statistic Value = 0.014887; Probability = 0.9852 > 0.1), while REM was selected based on the Hausman test (Chi-Sq Statistics = 3, 792878; Probability = 0.0515). The model based on CEM with GLS was selected (F-Test = 58.62864; probability <0.01) because the REM model was not fit (F-Test = 0.026999; probability > 0.01) with the coefficient of determination based on the adjusted R2 of -0.019846. In Hypothesis 1 (H1), the researcher hypothesises that there will be an effect that CSR disclosure has on profitability, and this is in accordance with the results that the researchers obtained. Common Effect (CEM) results with GLS reveal a positive relationship between CSR disclosure and profitability (β = 0.312032; SE = 0.040752; probability <0.05) in ESG Leaders index companies in 2019–2021.

Table 4. Data Panel 1 Result.

Profitability Outcome Variables			
Variable	Common Effect Model (CEM)	Fix Effect Model (FEM)	Random Effect Model (REM)
Constant	0,096742*** (0,020974)	-0,075812 (0,072527)	0,048701 (0,100944)
CSR	0,312032*** (0,040752)	0,292816** (0,148255)	0,034610 (0,204876)
R^2	0,544731	0,076656	0,000551
Adjusted R^2	0,535440	0,017719	-0,019846
F-Test	58,62864***	1,300646	0,026999
Chow Test for FEM	-	0,014887	-
Hausman Test for REM	-	-	3,792878**
Lagrange Test for CEM	-	-	-
Multicollinearity Test	-	-	-
Heteroscedasticity Test	No	-	

***, **, and * indicate significance levels at 1%, 5%, and 10%, respectively. The figures stated represent the
coefficient values of the variables, and the values in the parentheses stand for the values of the standard error.

The results of panel test 2 are shown in Table 5. The common effect model with GLS is the most feasible. In the panel data model 2 test, a lagrange test was also carried out to ascertain whether the common effect or random effect was selected. Just like in model 1, the lagrange test in model 2 cannot be done because the common effect and random effect models both use the GLS approach. Furthermore, this model 2 study uses two classical assumption tests, including the multicollinearity test and the heteroscedasticity test. The results of the multicollinearity test show that the correlation between the explanatory variables is <0.8, so it can be said that there is no multicollinearity (Table 4.5). In model 2, there are no symptoms of heteroscedasticity in the regression model. This can be seen based on the significance value of each independent variable on the absolute residual value, which is > 0.05.

Based on the results of the FEM model with GLS in model 2, it was selected based on the Chow test (Statistic Value = 0.311145; Probability = 0.7341 > 0.1), while REM was selected based on the Hausman test (Chi-Sq Statistic = 2.805125; Probability = 0.2460). The model based on CEM with GLS was chosen (F-Test = 4.045295; Probability <0.01) because the REM model was not fit (F-Test = 0.530768; Probability > 0.01) with a coefficient of determination based on adjusted R2 of -0.019128. In Hypothesis 2 (H2), the researcher hypothesises that there is an effect of profitability on stock returns, and in Hypothesis 4 (H4), the researcher hypothesises that there is an influence of CSR on stock returns. Hypothesis 2 is accepted, while Hypothesis 4 is rejected. Common Effect (CEM) results with GLS reveal a positive relationship between profitability (ROA) (β = 3.732529; SE = 1.043134; Probability <0.05) and stock returns, and there is no relationship between CSR Disclosure (β = -0.291615; SE = 1.625485; Probability > 0.1) for stock returns in ESG Leaders index companies in 2019–2021.

Table 5. Data Panel 2 Result.

Profitability Outcome Variables			
Variable	Common Effect Model (CEM)	Fix Effect Model (FEM)	Random Effect Model (REM)
Constant	0,065494 (0,797506)	0,779578 (0,493980)	-0,748651 (0,669894)
CSR	-0,291615 (1,625485)	-1,277543 (1,035380)	-1,128777 (1,404522)
ROA	3,732529*** (1,043134)	0,082963 (0,917594)	-0,541163 (1,276803)
R^2	0,694701	0,045586	0,021637
Adjusted R^2	0,522970	-0,037407	-0,019128
F-Test	4,045295	0,549277	0,530768
Chow Test for FEM	-	0,311145	-
Hausman Test for REM	-	-	2,805125
Lagrange Test for CEM	-	-	-
Multicollinearity Test	No	-	-
Heteroscedasticity Test	No	-	-

***, **, and * indicate significance levels at 1%, 5%, and 10%, respectively. The figures stated represent the
coefficient values of the variables, and the values in the parentheses stand for the values of the standard error.

Table 6 shows that profitability (P-value <0.05) is able to mediate the effect of CSR disclosure on stock returns of ESG Leaders index companies in 2019–2021.

Table 6. Sobel Test Result.

	Test Statistic	Standard Error	P_{value}
Sobel Test	3,24168307	0,35927895	0,00118826

Source: processed data, 2023

Discussion

In the CSR Disclosure Conditions, the ESG Leaders index shows the consistency of each company in disclosing its social responsibility conditions. Even so, the disclosure of all CSR items in the sustainability reporting of the ESG Leaders index companies is still not a single company that discloses its CSR activities optimally or completely as they should be disclosed.

The results of testing hypothesis 1 in this study indicate that CSR disclosure has a positive effect on profitability. The existence of CSR activities carried out continuously by the company will make the public believe in the company's social performance; besides that, the company can also obtain information about the company from the community. Investors will trust the capital they invest more in companies, so it will be easier for companies to use this capital for company activities in order to improve company performance (Rahmawardani and Muslichah, 2020). In this regard, the positive relationship between the results of this study indicates that the more CSR items disclosed by the company, the higher the profitability value, and vice versa. A company that has disclosed its CSR activities means that the company has taken responsibility for its operational activities to address the social, economic, and environmental issues arising from the establishment of an industrial area. Furthermore, the results of testing hypothesis 2 in this study indicate that profitability has a positive effect on stock returns. High profitability will provide an indication of good company prospects so that it can trigger investors to participate in increasing demand for shares. Increased demand for shares can lead to increased company values and returns (Sari and Febrianti, 2021). In this regard, the positive relationship between the results of this study indicates that the higher the company's profitability, the higher its value, which in turn will reflect the company's stock return, and vice versa. Companies that succeed in increasing profitability every year will attract the interest of many investors. Investors will trust companies that are able to generate large profits because the returns are also large, so this is a positive signal for investors from the company. This situation will be used by company managers to obtain sources of capital in the form of shares. Therefore, profitability determines the high or low value of the company as seen from the shares outstanding in the market. The results of testing hypothesis 3 using the Sobel test state that profitability mediates the effect of CSR disclosure on stock returns. In this regard, the positive relationship between the results of this study shows the impact of CSR disclosure on a good company image in the eyes of investors, so that it can increase company profits (profitability). Corporate social responsibility not only adds costs but can be useful as a marketing tool for companies if CSR is carried out in a sustainable manner. (Karundeng, 2018). With a good company value, it will also have an impact on increasing stock returns. This will make investors interested in investing their capital because they feel confident that they will get more benefits from the capital they have invested.

Lastly, the test results in Hypothesis 4 of this study indicate that CSR disclosure has no effect on stock returns. This has no effect due to several possible causes, one of which is that investors pay less attention to corporate social responsibility activities in deciding to invest and still think that good CSR disclosure does not necessarily guarantee that the company can provide benefits for investors. Firm value is an investor's perception of a company related to price and stock returns (Ayu et al., 2017). In addition, there are also some investors who think social responsibility will only increase the costs incurred by the company so that later it can affect the income that investors will receive. And it can happen because the company is still not consistent in disclosing CSR items every year, which makes investors hesitate to invest their capital.

5 Conclusion

This study analyses the influence of disclosure of corporate social responsibility on stock returns through profitability at ESG Leaders companies listed on the Indonesian stock exchange in 2019–2021. This research at least provides some additional insights into the knowledge as well as the empirical literature. First, the results of this study indicate that CSR disclosure has a positive effect on profitability. Although there are still CSR disclosure items that have not been disclosed by the company and are still far from the established standards, the results of this study indicate that the size of CSR disclosure carried out by companies can affect the increase in company profits. Second, profitability has a significant effect on stock returns; increasing the value of profitability will increase the percentage value of a company's return. Companies that have high profitability figures will reflect good company prospects so that they can trigger investor interest in buying shares. Third, profitability mediates the effect of CSR disclosure on stock returns. The more information obtained from CSR activities, the greater the impact on the image and profit that will be generated by the company. That way, stakeholders and shareholders will believe in investing their capital so that it will increase company returns. Fourth, CSR disclosure has no effect on stock returns. There are still investors who feel unsure about voluntary information such as CSR disclosures disclosed by management, so investors do not use this information as a basis for making investment decisions. That way, the results of this study indirectly state the full model of mediation and contradict the signal theory. This means that CSR does not directly affect stock returns but must go through profitability, and CSR is not a signal for increasing or decreasing stock returns.

This research has limitations, namely only companies listed on the Indonesian stock exchange, especially the ESG Leaders index, which is the focus of research, so that further research can use more specific sectors, for example: banking, energy, basic materials, industrial, consumer non-cyclicals, consumer cyclicals, healthcare, properties and real estate, technology, infrastructure, transportation, and logistics, and can extend research time. To determine the consistency of research results, you can use other profitability measurement methods such as gross profit margin (GPM), net profit margin (NPM), and return on equity (ROE), which are methods that can describe financial performance or profitability.

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