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Research Article

Determinants of Stock Returns: The Role of Ownership Structure, Firm Fundamentals, and Market Variables in Sharia Stocks

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Abstract
This study aims to examine the effect of ownership structure (institutional ownership, managerial ownership, and foreign ownership), firm fundamentals (profitability, leverage, dividend policy, and firm size), and market variables (book-to-market ratio, trading volume, and stock volatility) on the stock returns of Sharia-compliant firms listed on the Indonesia Stock Exchange during the 2020 pandemic crisis. The study utilizes a sample of 322 Sharia-compliant firms in 2020 and employs multiple linear regression analysis. The results indicate that managerial ownership and institutional ownership do not have a significant effect on stock returns, while foreign ownership has a negative effect. Regarding firm fundamentals, Return on Assets (ROA) and market capitalization have a positive effect on stock returns, whereas leverage and dividend policy do not show significant influence. Among market variables, the book-to-market ratio has a positive effect on stock returns, while trading volume and stock volatility are found to be insignificant. These findings suggest that during a crisis period, firm fundamentals and stock valuation remain the primary determinants influencing investment decisions in the Sharia stock market.

Keywords: Stock return, Ownership structure, Company fundamentals, Market variables, Sharia stocks.

INTRODUCTION

The primary objective of investors in investing is to maximize returns while considering the investment risks they must face. Return is one of the motivating factors for investors to invest and also serves as a reward for the investor's courage in bearing the risks associated with their investments (Tandelilin, 2017). The pandemic had a significant impact on the global economy, causing slowdowns in various sectors due to activity restrictions, decreased demand, and supply chain disruptions. Many companies experienced revenue declines or closures, leading to increased unemployment (Zhang et al., 2020). High uncertainty also affected the stability of financial markets, investment activities, purchasing power, and the performance of investment instruments, including Sharia-compliant stocks. The pandemic tested the resilience of Sharia stock markets against external pressures. The decline in global economic activity, accompanied by increased market volatility, raised questions about the factors influencing Sharia stock performance during crisis periods.

Previous studies indicate that ownership structure affects stock returns through corporate governance mechanisms. Jensen and Meckling's (1976) agency theory explains that institutional and managerial ownership can reduce agency conflicts by aligning the interests of managers and shareholders, potentially improving company performance and stock returns. Some ownership structure studies, such as Brennan and Cao (1997), explain that foreign ownership movements play an important role in enhancing market liquidity and efficiency, as described in information asymmetry theory where foreign investors reduce information gaps and drive up stock prices. Empirical studies such as Ferreira and Matos (2008) found that institutional investors, especially foreign ones, prefer companies with good governance and strong performance. Institutional ownership correlates positively with stock value and returns. They play an important role in improving efficiency and governance in global markets, especially in developing countries. Foreign ownership is positively correlated with stock returns, especially in emerging markets, as it brings capital inflows and better governance. However, excessive ownership concentration by institutions, management, or foreigners can cause an entrenchment effect where excessive control hampers company performance (Morck et al., 1988). Thus, the influence of ownership structure on returns is multidimensional and depends on the interaction among ownership structure, market conditions, and company characteristics.

Another factor influencing stock returns is fundamentals. Internal company capacity, such as larger firm size and low leverage, can help mitigate the negative impact of the pandemic on stock performance (Hoang et al., 2021). Profitability also affects stock returns, in line with Fama and French's (2015) Five-Factor model that identifies profitability as a determinant of returns. Empirical findings supporting the positive impact of ROA on stock returns have been reported in various studies, including Nandyayani and Suarjaya G. (2021), Yasir and Moch. Fathony (2019), Novian and Nanang (2015), and Y. L. Hsu and Liao (2022). However, Sanjaya and Cahyonowati (2022) and Setiyono and Amanah (2017) found insignificant results. Research on dividend policy shows mixed results. Black and Scholes (1974) found that dividend yield does not significantly affect stock returns, while Bhattacharya (1979) and Miller and Rock (1985) argue that dividends act as signals to reduce information

asymmetry, although their use may sacrifice investment and negatively impact returns.

Market factors such as trading volume, stock return volatility, and the book-to-market ratio theoretically influence stock returns through liquidity, risk, and valuation mechanisms. Easley and O'Hara (1995) in market microstructure theory explain that information asymmetry and market structure play important roles in price formation and liquidity. Information gaps among market participants can cause price inefficiencies, while efficient market structures improve liquidity and reduce transaction costs. High trading volume reflects good liquidity, contributing to price efficiency and market stability. Conversely, high volatility may indicate information uncertainty and increased price risk. In Modern Portfolio Theory (Markowitz, 1952), volatility is considered a risk proxy that can reduce expected returns if perceived as excessive uncertainty. Empirical findings such as Amihud (2002) support that liquidity and volatility significantly affect risk-adjusted returns. Meanwhile, the book-to-market ratio serves as a valuation indicator in Fama and French's (1993) Three-Factor Model, where stocks with a high ratio (value stocks) tend to generate higher returns because they are considered undervalued.

Research on determinants of Sharia stock returns in Indonesia during crises is highly urgent because Sharia stock markets have unique characteristics that may respond differently to crises compared to conventional markets. Previous studies show inconsistent results regarding the effects of ownership structure, fundamentals, and market variables on returns, so more contextual analysis is needed, especially during crisis periods like the pandemic. This study aims to empirically examine the influence of ownership structure (institutional, managerial, and foreign), company fundamentals (ROA, leverage, dividend policy, and firm size), and market variables (book-to-market ratio, trading volume, and volatility) on Sharia stock returns listed on the Indonesia Stock Exchange in 2020. The findings are expected to provide practical contributions for investors in formulating resilient Sharia-based investment strategies during crises and serve as a reference for regulators and stakeholders in designing policies that support the strengthening and resilience of Indonesia's Sharia capital market.

METHOD

Research objects and samples

The object of research in this study is companies listed on the Indonesia Stock Exchange. The sampling technique in this study is purposive sampling (Sekaran & Bougie, 2016) . The criteria for companies listed on the Indonesia Stock Exchange are as follows:

1. Stocks included in the list of Sharia-compliant securities in 2020.
2. Companies with complete financial and stock trading data for the period 2019–2020.
3. Stocks that were actively traded during the observation period.
4. Companies with non-negative equity throughout the period.
5. Stocks with a market price greater than IDR 50 at the end of 2019.
6. Companies with complete data availability for all research variables.

Data

This study uses secondary data. Stock price data is obtained from https://finance.yahoo.com. Financial data, characteristics and variables *Corporate governance* of companies *listed* on the Indonesia Stock Exchange is obtained from https://idx.co.id . Foreign share ownership is obtained from https://www.ksei.co.id/. Ownership structure data, fundamental variables, and B/M are based on 2019 data while market volatility and trading volume variables are based on 2020 data. Stock returns are based on 2020 data.

Operational definition and measurement of variables

Dependent variable

Return in this study is based on *capital gain* . *Capital gain* is defined as the profit obtained by investors from the difference between the selling price and the purchase price of a security (eg shares) (Tandelilin, 2017) .

$$\text{Return}_t = \frac{\text{Stock price}_t - \text{Stock price}_{t-1}}{\text{Stock price}_{t-1}}$$

Independent Variables

1. Managerial share ownership
   Percentage of share ownership by commissioners and directors (Anggraini et al., 2024) , (Devinta et al., 2020) .

   $$\text{Managerial ownership} = \frac{\text{Shares owned by directors and commissioners}}{\text{Total outstanding shares}} \text{x } 100\%$$

2. Institutional share ownership
   Percentage of share ownership by institutions (Yudiana et al., 2022) (Anggraini et al., 2024)

   $$\text{Institutional ownership} = \frac{\text{Shares owned by institutional investors}}{\text{Total outstanding shares}} \text{x } 100\%$$

3. Foreign share ownership
   Percentage of foreign share ownership (Rudiawarni et al., 2024) (Anggraini et al., 2024)

   $$\text{Foreign ownership} = \frac{\text{Shares owned by foreign investors}}{\text{Total outstanding shares}} \text{x } 100\%$$

4. Return on Assets (ROA)
   Return on Assets is the company's ability to gain profit from its assets. In this study, profit is measured by ROA (Nandyayani & Suarjaya G, 2021) (Sanjaya & Cahyonowati, 2022) .

   $$\text{ROA} = \frac{\text{Net income}}{\text{Total assets}}$$

5. Leverage (LEV)
   Debt to Asset Ratio is a ratio calculated by dividing total debt by total assets to show the proportion of assets financed by debt (Andhani, 2019) .

$$\text{LEV} = \frac{\text{Total Liabillities}}{\text{Total Assets}}$$

6. Dividend (DPR)
   Dividends are profits distributed to shareholders.
   Calculated based on dummy, namely
   1= if paying dividends
   0 = if not paying dividends

7. Market capitalization (SIZE)
   Based on measurements based on the multiplication of the number of shares by the share price (Yunianto & Prasetyo, 2023) (Wahyudi et al., 2020) .

8. Trading Volume Activity (TVA)
   Trading Volume Activity (TVA) is a measure of trading activity calculated by dividing the volume of stock trading in a period by the number of shares outstanding (Setyo Wicaksono et al., 2023) (Charara Bhuntar & Netty, 2023) .

$$\text{TVA} = \frac{\text{Tading volume}}{\text{Total outstanding shares}}$$

9. Volatility (VOL)

   return volatility is the level of variation or fluctuation in stock returns in a certain period, which is measured by the standard deviation of returns. (Charara Bhuntar & Netty, 2023) (Auranisa Raiferiana et al., 2024) .
   VOL = Standard deviation of daily stock returns

10. Book to Market

    Book-to-Market is a ratio that compares a company's book value with its market value to measure whether the stock is undervalued or overvalued (Nugroho, 2020; Tumpal Hutajulu & Puspitasari, 2019).

$$\text{BM} = \frac{\text{Book Value of Equity}}{\text{Market Value of Equity}}$$

RESULT AND DISCUSSION

Overview of the research object

The object of the study is companies listed on the Indonesian Stock Exchange which are included in the 2020 sharia stock index. The sample selection in this study used the purposive method. sampling with the criteria of companies that are included in Indonesian Sharia Stocks, actively traded, do not have negative equity and have complete data. The number of samples obtained and used in this study is 322 companies.

Descriptive Statistics

Table 1. Descriptive Statistics

Variable	Mean	Std. dev.	Min	Max
RET	0.0332	0.5617	-0.8810	3.9302
MOWN	0.0695	0.1561	0.0000	0.8944
IOWN	0.5806	0.2607	0.0000	0.9999
FOR	0.1649	0.2098	0.0000	0.9967
ROA	0.0102	0.0934	-0.5175	0.4930
LEV	0.4183	0.2034	0.0018	0.9893
DIV	0.3075	0.4622	0.0000	1.0000
SIZE	28.1192	2.0765	20.3560	34.2585
BM	1.2035	1.1253	0.0120	6.6740
TVA	0.4927	1.2692	0.0000	12.5205
VOL	0.0403	0.0144	0.0079	0.0897

Multiple linear regression analysis

Data analysis using multiple linear regression with STATA software. To ensure the validity of the estimation results, this study addresses the potential problem of heteroscedasticity by using robust standard errors in the regression analysis. In addition, multicollinearity testing is carried out through the calculation of the Variance Inflation Factor (VIF), which shows that all independent variables have VIF values below 10 with an average of 1.29, so there is no indication of disturbing multicollinearity (Gujarati & Porter, 2009) .

Table 2. Regression Results and Multicollinearity Test

RETURN	Coefficient	Robust std. err .	t	P>t	VIF	1/VIF
MOWN	0.018206	0.249621	0.07	0.942	1.49	0.6718
IOWN	0.119266	0.21443	0.56	0.578	1.57	0.6386
FOR	-0.28653	0.135299	-2.12	0.035	1.06	0.9451
ROA	1.418276	0.409348	3.46	0.001	1.43	0.7013
LEV	0.057883	0.158879	0.36	0.716	1.24	0.8046
DIV	0.025021	0.060931	0.41	0.682	1.22	0.8208
SIZE	0.052776	0.018343	2.88	0.004	1.4	0.7122
BM	0.076123	0.021357	3.56	0,000	1.14	0.8761
TVA	0.000186	0.020731	0.01	0.993	1.12	0.8967
VOL	4.21501	3.268085	1.29	0.198	1.23	0.8141
_cons	-1.7827	0.633239	-2.82	0.005		
F(10, 308)	6.37					
Prob > F	0					
R-squared	0.1188					

RET= –1.7827 + 0.0182MOWN + 0.1193IOWN – 0.2865FOR + 1.4183ROA + 0.0579LEV + 0.0250DIV + 0.0528SIZE + 0.0761BM + 0.0002TVA + 4.2150VOL + e

Information
RET= Return
MOWN= Managerial ownership
IOWN= Institutional ownership
FOR= Foreign ownership
ROA = Return on Assets
LEV= Leverage
DIV= Dividend
SIZE= Market capitalization
BM = Book to Market
TVA= Trading Volume Activity
VOL= Volatility
e = error

Discussion

The effect of managerial ownership on stock returns

Managerial ownership does not have a significant effect on stock returns, possibly due to ambiguity in incentives and behavior of managers as owners. Although management stock ownership is believed to align interests between managers and shareholders (alignment of interest), at a certain level of ownership, this can actually create an entrenchment effect , where managers have enough power to act according to their own interests, without fear of losing control. This phenomenon causes the governance mechanism that is expected to be able to increase the value of the company to not function optimally, so that its impact on stock returns is inconsistent and statistically insignificant. This is in accordance with (Morck et al., 1988) where excessive control actually hinders company performance. Thus, the effect of stock ownership on returns is not significant because it is multidimensional and depends on the interaction between ownership structure, market conditions, and company characteristics. These results are in line with (Novian & Nanang, 2015) which shows that managerial ownership has no effect on stock returns.

The effect of institutional ownership on stock returns

Institutional ownership has no significant effect on stock returns. According to Chuang (2020) , institutional ownership can increase stock returns in the short term due to the effect of buying pressure and positive signals to the market. However, if the proportion is too high, the effect can turn negative due to the return reversal phenomenon . Chuang's research also shows that stocks with low institutional ownership growth tend to have stronger return momentum, so that investment strategies based on buying stocks with low ownership and selling when ownership is high have the potential to generate significant abnormal returns . In line with research conducted by (Alfaraih et al., 2012) on companies listed on the Kuwait Stock Exchange, it shows that institutional ownership can significantly increase stock performance, especially in companies with high levels of information asymmetry. However, an increase in ownership that is too large can have negative effects such as the

entrenchment effect , which is a condition where institutional investors become less effective in supervision because they are too close to management. The results of this study were also confirmed by (Novian & Nanang, 2015) who found that institutional ownership had no significant effect on stock returns.

The effect of foreign ownership on stock returns

Foreign ownership negatively affects returns because foreign investors tend to make large-scale sell-offs (profit taking) after making a profit, thus depressing stock prices. In addition, stocks with high foreign ownership are more sensitive to global sentiment and exchange rate risk, so that when there is global turmoil or rupiah depreciation, foreign investors can withdraw their funds massively, causing a decline in stock prices. Stocks that are widely owned by foreigners are also often overvalued , so that their room for increase is limited and they are at risk of correction. Under certain conditions, foreign ownership can also create crowded trade which increases the risk of sudden correction when there is a change in market sentiment. This is reinforced by the argument (Naufa & Lantara, 2018) which states that the greater the proportion of foreign ownership, the more volatile the stocks tend to be, the more actively traded, and have a higher risk. This happens because foreign investors have large capital strength and different investment strategies, which can trigger stock price instability in the domestic market.

The effect of ROA on stock returns

The higher the ROA in the previous year, the higher the stock return during the COVID-19 pandemic. This shows that companies with good fundamentals provide confidence for investors in the capital market so that they get higher returns compared to companies with poor performance. The results of this study are in accordance with the five factor model (Fama & French, 2015), One of the important information from financial statements is the amount of profitability, Based on the five factor model (Fama & French, 2015) profitability as a predictor of the amount of variance of average return . High profitability is often associated with better performance and the potential for higher returns, thus attracting investor interest. This can affect asset prices and return rates.

Return on assets (ROA) has a significant positive effect on stock returns because it reflects the company's efficiency in generating profits from its assets. According to the theory of market efficiency (Fama, 1970), the market will reflect relevant information, including the company's financial performance, in stock prices. High ROA indicates the company's ability to generate greater profits with fewer assets, which in turn increases growth prospects and investment attractiveness. In addition, signaling theory (Spence, 1973) states that good ROA can serve as a positive signal to investors about the quality of management and the company's future prospects. In competitive market conditions, companies with high ROA are considered more stable and able to provide better returns, thereby increasing demand for shares and driving higher stock returns . (Nandyayani & Suarjaya G, 2021) , Yasir, Moch. Fathony, (Endri et al., 2019) (Novian & Nanang, 2015) , and (YL Hsu & Liao, 2022) .

The effect of leverage on stock returns

Leverage has no significant effect on stock returns , Investors do not see debt as a risk factor during a crisis. Investors tend to focus on fundamentals such as

profitability, which has a more direct impact on a company's ability to survive, rather than just the debt ratio. Investors focus more on systemic risk and the company's overall resilience than the company's relative debt level. The effect of debt on stock returns is situational and highly dependent on the company's internal financial context and external conditions such as interest rates, economic stability, and market perceptions. The effect of debt on returns depends on how the company uses borrowed funds to finance productive projects or vice versa. If used for profitable projects and in sectors that are not severe, the level of debt will reduce investor concerns about the risk of bankruptcy so that debt does not have a significant effect. The results of the study are in line with (Cahyati et al., 2022) which shows that leverage has no significant effect on stock returns.

The effect of dividends on stock returns

Dividend policy has no significant effect on company value. This is not in accordance with signaling theory. (Bhattacharya, 1979) , and the bird-in-the-hand theory (Lintner, 1962) which states that investors tend to prefer dividends over potential future capital gains because dividends provide certainty over the returns received. Many companies reduced or stopped dividend distributions during the pandemic as a step to secure cash flow and strengthen financial structure. In this situation, dividends are no longer considered a consistent indicator of corporate health, so the relationship between dividends and stock returns becomes weak. Dividends do not have a significant effect on stock returns during a crisis because investor decisions are more dominated by external factors, such as macroeconomic uncertainty and market volatility, than dividend policy. According to the bird-in-the-hand theory (Lintner, 1962) , stable dividends are usually considered attractive because they provide certainty of return. However, in times of crisis, behavioral finance theory suggests that investors tend to ignore dividends as their focus shifts to systemic risk and capital security. In addition, signaling theory (Miller & Rock, 1985) states that dividends can provide positive signals about a company's performance, but in times of crisis, these signals are often overshadowed by negative market sentiment and liquidity pressures. Therefore, the effect of dividends on stock returns becomes insignificant, as investors' priorities shift from regular returns to protecting investment value (Abbas et al., 2022; Fauzan, 2018; Mahirun, 2023; Purnama, Ni Luh Yunita, I Dewa Made and, 2020) .

The effect of company size on stock returns

Market capitalization has a positive effect on stock returns . Market capitalization plays a significant role in determining the size of a company. It gives investors an idea of the company's future prospects and whether they should invest or not as it indicates how much investors are willing to pay for stocks (Kumar & Kumara, 2020) . Larger companies have easier access to finance due to concentration of ownership by large families and easy availability of debt due to large market capitalization. In addition, large companies enjoy economies of scale and specialization , which have a positive effect on company performance (Pillai & Al-Malkawi, 2018) . Companies with large market capitalization are targeted by long-term investors because they have high growth potential and low risk (Wahyudi et al., 2020) . Generally, large companies have strong fundamentals, financial stability, broad access to funding, and a good market reputation. This increases investor confidence and

supports return consistency. In addition, an established market position and measurable growth strategy make large companies more resilient to economic turmoil, thus having a positive impact on stock price increases. In line with the research results of Isabela et al (2024) and Wahyudi et al., (2020) which show that company size affects stock returns.

The effect of stock trading volume on stock returns

Trading volume has no significant effect on stock returns. Trading volume is related to investor attention and reflects how investors react to corporate news and helps predict stock returns (Wang et al., 2018) . Trading volume is often associated with stock liquidity (Amihud, 2002) . During a crisis, the price mechanism is more influenced by other factors, such as forced selling pressure or policy intervention. Trading volume has no significant effect on stock returns during a crisis because during periods of high uncertainty, investors are more influenced by psychological factors and market sentiment than technical indicators such as trading volume. According to behavioral finance theory (Statman, 2008) , in a crisis, investors often make emotional decisions, such as panic selling or herding behavior , which are not directly related to trading volume. In addition, noise theory trading (Black, 1986)explains that during a crisis, many trades are made based on irrelevant information or speculation, which increases trading volume but does not significantly affect price movements. As a result, although trading volume is often considered an indicator of liquidity, in a crisis, it is not enough to predict significant changes in stock prices or returns.

The effect of stock volatility on stock returns

Stock volatility as measured by the standard deviation of daily stock returns does not have a significant effect on stock returns . This study is inconsistent with Neukirchen et al (2022) who found that historical volatility has a negative effect on stock returns. The crisis also triggered irrational behavior, such as panic selling, which was not related to normal trading volume. According to the overreaction theory (Bond & Thaler, 1985), investors tend to overreact to negative information during a crisis, causing stock price fluctuations that are disproportionate to trading volume. As a result, the correlation between trading volume and stock returns becomes weak or insignificant. Although high volatility is often associated with higher return opportunities, during a crisis, investors tend to avoid stocks with high volatility, so that the relationship between volatility and stock returns becomes insignificant. This is in line with Auranisa Raiferiana et al (2024) and (Ananda et al., 2017)found that volatility had no significant effect on stock returns.

The effect of Book to Market on stock returns

Book to Market ratio has a positive effect on returns . This is in accordance with Hsu et al (2021) who stated that stocks experiencing growth (low BM) tend to rise more when the market rebounds (recovery), because investors are optimistic during this period, Book-to-market ratio (B/M) has a positive effect on stock returns during a crisis because it reflects relative valuations and changing risk perceptions during periods of uncertainty. Stocks with a high B/M ratio, or known as " value stocks ," are usually priced lower than their book value, indicating that the market has low expectations of the company's future performance. However, according to the theory

of risk and return , (Fama & French, 1993), stocks with high B/M carry a higher risk premium, because these companies often operate in industries that are more sensitive to economic conditions. During a crisis, investors look for opportunities to get higher returns by taking greater risks, so stocks with high B/M become more attractive. In addition, these stocks are often undervalued due to pessimistic market sentiment, thus potentially generating mean reversion in stock prices when conditions improve. Thus, the positive relationship between B/M and stock returns during a crisis can be explained by a combination of risk premium, undervaluation opportunities, and adjustments in market expectations. These results are in line with Tumpal Hutajulu & Puspitasari (2019) and (Nugroho, 2020)which show that B/M has a significant positive effect on stock returns.

CONCLUSION

This study aims to examine the effect of ownership structure (institutional ownership, managerial ownership, and foreign ownership), company fundamentals (profitability, leverage, and dividend policy), and market variables (book to market ratio, trading volume, and stock volatility) on stock returns of sharia companies listed on the Indonesia Stock Exchange during the 2020 pandemic crisis. The results of the study show that:

1. Ownership structure variables showed varying effects on stock returns during the pandemic crisis. Managerial ownership and institutional ownership did not have a significant effect on stock returns. This may also reflect that the monitoring function by institutional and managerial owners has not been running optimally or has not been able to respond to the crisis adaptively, so that it did not have a real impact on stock values during that period. Conversely, foreign ownership has a negative effect on stock returns, reflecting the tendency of foreign investors to withdraw their investments from emerging markets amid global uncertainty.
2. Based on firm fundamentals, Return on Assets (ROA) and market capitalization were found to have a positive effect on stock returns, indicating that strong financial performance and large firm size are key factors in maintaining investor confidence during the crisis. Meanwhile, leverage and dividend policy showed no significant impact on stock returns, suggesting that under conditions of heightened uncertainty, investors place greater emphasis on business continuity prospects rather than on capital structure or dividend payouts.
3. The findings related to market variables indicate that the book-to-market ratio has a positive effect on stock returns, suggesting that stocks with low valuations are perceived as more attractive amid uncertainty. Meanwhile, trading volume and stock volatility do not have a significant impact on returns, implying that high transaction activity and price fluctuations are not primary indicators influencing investment decisions during the crisis. Overall, these results confirm that while fundamental factors remain important during a crisis, market variables such as stock valuation also play a significant role in shaping investor perceptions.

This study has several limitations that can be opportunities for further research. First, the study only uses data from sharia companies listed on the Indonesia Stock Exchange in 2020, so the results may not be generalizable to other time periods or to non-sharia companies. Therefore, future research is advised to expand the time span by using multi-year data to observe changes in the relationship between variables before, during, and after the crisis. Second, the corporate governance variables

analyzed are still limited to institutional ownership, managerial ownership, and foreign ownership, so further research can include other dimensions of governance, such as the independence of the board of commissioners, the effectiveness of the audit committee, or the overall quality of corporate governance. In addition, given the different dynamics of investor behavior during a crisis, a behavioral finance approach can be used to enrich the understanding of investment decision making. The practical implications of the findings of this study are the importance of sharia companies to maintain and improve financial performance and increase company size as a strategy to maintain investor confidence amid uncertainty. For regulators, these results emphasize the importance of strengthening protection for domestic investors, given the tendency of foreign investors to withdraw funds during a crisis. Meanwhile, for investors, this study shows that in times of crisis, assessment of company fundamentals and stock valuations become the main considerations in making investment decisions, more than just paying attention to trading volume or price volatility.

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