International Journal of Business Economics (IJBE)
Vol, 2 Issue 2, pp 113 -120, March - August 2021
http://jurnal.umsu.ac.id/index.php/ijbe
eISSN 2686-472X

ORIGINAL ARTICLE

Factors Affecting the Disclosure of Corporate Social Responsibility

Umi Kalsum

ABSTRACT
This study aims to determine the factors that influence the extent of disclosure of social responsibility (Corporate Social Responsibility) by examining the influence of the board of commissioners, the board of directors, the audit committee, leverage, company size and profitability. The sample of this research is the LQ45 companies listed on the Indonesia Stock Exchange for the period 2018-2020. This study uses a quantitative approach with multiple linear regression analysis methods. The results of this study indicate that the board of commissioners' variables simultaneously, leverage, company size and profitability have the same significant effect on CSR disclosure. The results carried out partially show that the board of commissioners variables, company size and profitability have a significant and significant relationship to CSR disclosure, while leverage shows that it does not have a significant effect on CSR disclosure.

Keywords: social responsibility disclosure, board of commissioners, leverage, company size and profitability.

DOI : https://doi.org/10.30596/ijbe.v2i2.6678
JEL Classification: M4, M14, G11

Cite this article as:
Kalsum, U. (2021). Factors Affecting the Disclosure of Corporate Social Responsibility. *International Journal of Business Economics (IJBE)*, *2*(2), 113-120.

Faculty of Economic and Business,Universitas Muhammadiyah Sumatera Utara
Jln. Kapten Muchtar Basri No. 3 Medan 20238, Indonesia
***Corresponding Author:** umikalsum@umsu.ac.id

Keywords: Organizational Culture, Organizational Commitment, Performance, Motivation

International Journal of Business Economics (IJBE)
Vol, 2 Issue 2, pp 113 -120, March - August 2021
http://jurnal.umsu.ac.id/index.php/ijbe
eISSN 2686-472X

INTRODUCTION

Responsibility to the company must be carried out jointly and in a balanced manner in the form of economic responsibility, legal responsibility and social responsibility (Hadi, 2014). The term social responsibility or what is called Corporate Social Responsibility (CSR) originates from the real form of the implementation of the company's obligations to the social environment. CSR is an obligation to follow policies that have been made to carry out the desired action objectively (Vogel, 2008).

According to Sembiring (2005) CSR in a company is defined as the availability of information provided in the form of both financial and non-financial related to organizational interactions, both environmental and social, which is stated in the company's annual report. The meaning of CSR is not only about survival, nature but for the welfare of workers, society and other communities as well as the safety of products or services.

By increasing public awareness it is supported by the company's operational activities which indirectly change the company's point of view. CSR is not viewed as based on costs that reduce profits, but as an investment in enhancing a good image in society so as to increase long-term profits and maintain the company's going concern. To be able to obtain this, shareholders must know the realization of the company's responsibilities through CSR disclosure.

Disclosure of corporate CSR is an idea that does not make the company face responsibility on a single bottom line. CSR disclosure in Indonesia is a mandatory disclosure because it has been regulated, such as in Bapepam Regulation Number X.K.6 concerning the submission of an issuer's annual report which is carried out in accordance with the decision of the Chairman of Bapepam and LK Number Kep-431 / BL / 2012 as of 1 August 2012.

Research on CSR and environmental disclosure has been carried out in various countries, both in developed and developing countries, including in Indonesia. As in Hayuningtyas (2007) conducted by Ciciretti (2006)., Tsousoura (2004), Sembiring (2005), Anggraini (2006), Wondabio (2007), Suhardjanto, Brown (2007), Hayuningtyas (2007), Udayasankar (2007) , Suhardjanto (2008), Aulia (2009), Laras (2009), Sari (2009).

The board of commissioners is a stakeholder representative in a company that has the authority and influence strong enough to pressure management to disclose CSR information. Companies with a larger board of commissioners will disclose more CSR information.

H1: The Board of Commissioners has a positive effect on CSR disclosure

The higher the leverage, the more likely the company will experience violation of the debt contract and the manager will report a higher profit than future earnings Fahrizqi (2010). The leverage ratio has a risk to the company so that it will disclose less CSR information, so that it can report higher profits (reducing disclosure costs).

H2: Leverage has a negative effect on CSR disclosure.

Large companies are inseparable from pressure, and large companies have more operational activities and have an impact on society which allows shareholders to always pay more attention to the social programs made by the company so that the disclosure of corporate social information will be even wider (Sembiring, 2005). . therefore companies are required to disclose CSR.

H3: Company size has a positive effect on CSR disclosure.

Profitability is the company's ability to generate profits which is the net result of management policies, both in managing liquidity, assets and corporate debt (Ismurniati,

2010). Research conducted by Sumedi (2010) shows that the higher the level of company profitability, the greater the disclosure of CSR.
H4: Profitability has a positive effect on social responsibility disclosure.

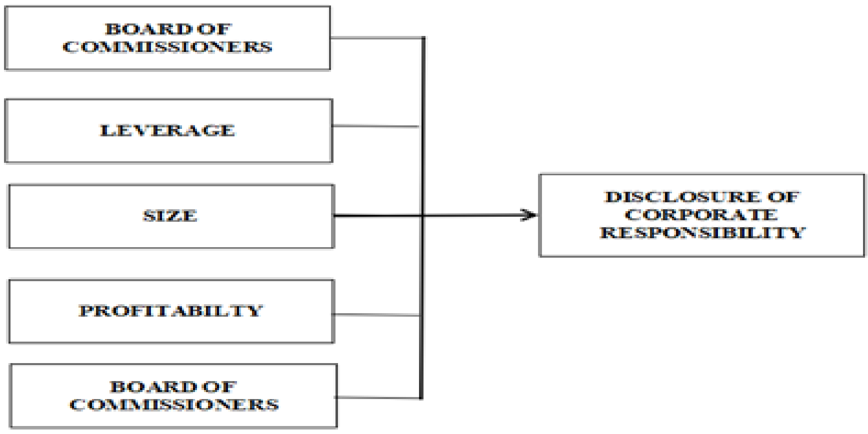

Figure.1. Conceptual Framework

METHOD

The population in this study were LQ45 companies listed on the IDX with a 3-year observation period from 2018 to 2020. The research sample was taken using the census method, where all populations were sampled as many as 45 companies. The value of each variable in this study is sourced from the annual report and the SCR disclosure report obtained from the Indonesia Stock Exchange website. In this study, using multiple linear regression analysis to determine the effect of the independent variable on the dependent variable (Ghozali, 2013). The following model is used to test the research hypothesis as follows:

PSCR = a + b1DK + b2DER + b3UK + b4ROA + e …………………………… (1)

In this study, two stages of testing must be carried out, namely the first stage of data analysis testing, classical assumptions consisting of normality test, heteroscedasticity test, multicollinearity test which aims to ensure that the regression model and each variable are feasible for hypothesis testing. The second stage is the test of the coefficient of determination which aims to determine the influence of the independent variable on the dependent variable.

RESULTS AND DISCUSSION

Results

The results of the normality test using a histogram graph, where the distribution pattern deviates to the right. This means that the data is normally distributed. Figure 1 Normality Test

International Journal of Business Economics (IJBE)
Vol, 2 Issue 2, pp 113 -120, March - August 2021
http://jurnal.umsu.ac.id/index.php/ijbe
eISSN 2686-472X

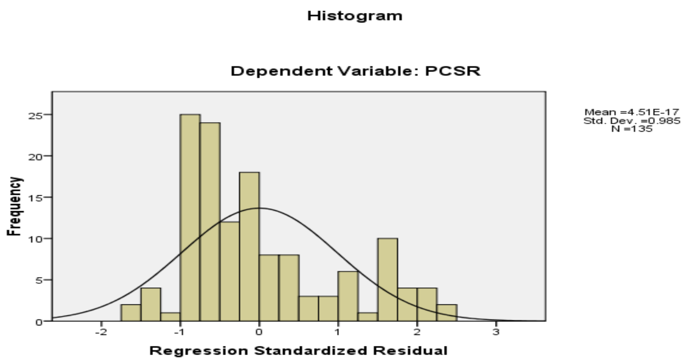

Figure.2. of Nomality Test

The multicollinearity test results using the VIF value for the four independent variables did not have multicollinearity, because the VIF value between the independent variables did not exceed the value of 10.

Table 1. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1. DK	.932	1.073
UP	.844	1.185
PROFIT	.834	1.198
LEV	.778	1.286

a. Depen dent variable: PCSR

The results of the multicollinearity test using unstandardized residuals in order to determine the relationship or correlation between the four independent variables resulted in a significance value (Sig 2-tailed) of more than 0.05. so that the value is considered to be a correlation of more than 0.05, it is concluded that the regression model does not find any heteroscedasticity.

Table 2. Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.936	.735		1.274	.209
	DK	.220	.284	.105	.773	.443
	UP	-.544	.300	-.327	-1.815	.076
	PROFIT	.048	.202	.036	.240	.812
	LEV	-2.596E-5	.000	-.199	-.980	.332

a. Dependent Variable: Abs_Res

International Journal of Business Economics (IJBE)
Vol, 2 Issue 2, pp 113 -120, March - August 2021
http://jurnal.umsu.ac.id/index.php/ijbe
eISSN 2686-472X

Table 3. Hypothesis Test of Parcial

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.439	.780		4.411	.000
	DK	.732	.316	.192	2.315	.022
	UP	-.729	.302	-.211	-2.415	.017
	PROFIT	.700	.237	.260	2.961	.004
	LEV	-2.115E-5	.000	-.075	-.829	.408

a. Dependent Variable: PCSR

Based on the results of the calculations carried out by researchers using the SPSS application, the multiple linear regression equation is obtained as follows:

PCSR = 3,439 + 0,732 DK - 2,115 DER - 0,729UK + 0,700 ROA + e …………. (2)

This multiple linear regression hypothesis test is used to test the feasibility of the regression equation model and to find out whether partially independent variables have a significant effect on the dependent variable.

Table 4. Hypothesis Test of Simultan

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	93.070	4	23.267	6.310	.000[a]
	Residual	479.330	130	3.687		
	Total	572.400	134			

a. Predictors: (Constant), LEV, DK, UP, PROFIT

b. Dependent Variable: PCSR

Coefficient of determination The test result on the coefficient of determination () is 0.163, meaning that if it is multiplied by one hundred percent, the ability of the independent variable to explain the dependent variable is 16.3%. Goodness of Fit (F) Test From the F test table, it is obtained that the F value is 6,310 with a significant value of 0,000 so that it can be concluded that simultaneously the four independent variables have a significant influence on the dependent variable. Partial test (t test) In this test, the board of commissioners (0.022), company size (0.017) and profitability (ROA) (0.004) have a significant effect because they have a significance value of less than 0.05 on CSR disclosure while the leverage (DER) (0.408) does not have a significant effect because it is greater than 0.05 on CSR disclosure.

Discussion

The size of the board of commissioners has a significant influence on social responsibility disclosure.The board of commissioners is a representative shareholder whose function is to oversee the management of the company carried out by management (Fahrizqi, 2010), so that the board of commissioners makes policies with company profits as the company's operational activity so that it is even more profitable than doing social activities.

Leverage has no effect on social responsibility disclosure. This is due to the fact that there is a good relationship between the company and the debtholders, yang resulting in debtholders not paying too much attention to the company's leverege ratio. The company that owns high degree of leverage, consider it necessary to provide social responsibility disclosure reports,so that there is "good news" about the company's performance.

Company size has a significant influence on social responsibility disclosure. this means that the size of the company implies that the larger the company will conduct a wider disclosure of social responsibility.

Profitability has on social responsibility disclosures Profitability has a significant and significant effect on social responsibility disclosure. The company has a high level of profit, the company considers it obligatory to report things that are necessary can interfere with information about a company's financial success. Conversely, when the level of profitability is low, they expect report users to read “good news” about the company's performance.

CONCLUSION

The board of commissioners has a significant influence on CSR disclosure. This means that the board of commissioners does not use the profits from the company for social activities, so the company will disclose the CSR that the company has done. Leverage, which is proxied by the debt to equity ratio (DER), does not have a significant effect on CSR disclosure. This is because there is no good relationship between companies and debtholders, therefore the debtholders do not pay much attention to the company's leverage ratio. Company size has a significant effect on CSR disclosure. Thus large companies can disclose detailed information than small companies. Profitability that is proxied with return on assets (ROA) has a significant effect on CSR disclosure. This means that when the company has increased profits, the company's profits will also increase which makes the company disclose information about the company's performance.

Based on the research description above, there are several limitations, including the following: the results of the study on the adjusted value are still low, this is evident that there is still no concrete explanation presented to the researcher so that there is a high comparison of variable values, researchers only classify companies in LQ45 in BEi, not using all manufacturing companies, based on the research that has been conducted by researchers, there are several suggestions for further researchers, including the following: It is hoped that the next researcher will add state institutions or regulations in CSR disclosure. It is hoped that the next researcher will increase the data collection area not in LQ45 but all companies listed on the Indonesian stock exchange It is hoped that the next researcher will increase the measurement of CSR disclosure and should be assessed in terms of quality by the rules that apply to CSR disclosure.

REFERENCES

Ali, M.A. Mohd dan R. Atan. (2013). The Relationship Between Corporate Governance and Corporate Social Responsibility Disclosure: A Case of High Malaysian Sustainability Companies and Global Sustainability Companies. South East Asia Journal of Contemporary Business, Economics and Law, Vol. 3, Issue 1, 39-48.

Bowen, Howard R. (2013). Social Responsibilities of the Businessman. Second Edition. Iowa City: University of Iowa Press.

Crowther, David dan Guler Aras. (2008). Culture and Corporate Social Responsibility. Leicester UK: Social Responsibility Network.

Dobers, Peter dan Minna Halme. (2009). Corporate Social Responsibility And Developing Countries. Corporate Social Responsibility Environment Management. Vol. 16, No. 5, 237-249.

Effendi, Bahtiar, L. Uzliawati, dan A. S. Yulianto. (2012). Pengaruh Dewan Komisaris Terhadap Environmental Disclosure pada Perusahaan Manufaktur yang Listing di BEI Tahun 2008- 2011. Simposium Nasional Akuntansi 15.Banjarmasin. 20-23 September 2012

Ghozali, Imam dan Anis Chariri. (2007). Teori Akuntansi. Semarang: Badan Penerbit Universitas Diponegoro.

Ghozali, Imam dan Dwi Ratmono. (2013). Analisis Multivariat dan Ekonometrika. Semarang: Badan Penerbit Universitas Diponegoro.

Global Reporting Initiative. (2013). G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures. Amsterdam: Global Reporting Initiative.

Yogyakarta: Graha Ilmu. Handayani, Bestari Dwi. (2012). Corporate Social Responsibility dan Kinerja Perbankan di Indonesia. Jurnal Keuangan dan Perbankan, Vol. 16, No. 2, 318-328. Hayashi, Fumio. (2000). Econometrics. United States of America: Princenton University Press.

Haziwan, Mohamad. (2013). The Relationship Between Corporate Social Responsibility Disclosure and Corporate Governance Characteristics in Malaysian Public Listed Companies.

Jamali, Dima dan Ramez Mirshak. (2007). Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context. Journal of Business Ethics. Vol 72, 243²262.

Kurniawan, Albert. (2011). SPSS: Serba-Serbi Analisis Statistika dengan Cepat dan Mudah.

Yogyakarta: Jasakom. Machmud, Novita dan Chaerul D. Djakman. (2008). Pengaruh Struktur Kepemilikan Terhadap Luas Pengungkapan Tanggung Jawab Sosial (CSR Disclosure) pada Laporan Tahunan Perusahaan: Studi Empiris pada Perusahaan Publik yang Tercatat di Bursa Efek Indonesia tahun 2006. Simposium Nasional Akuntansi 11. Pontianak. 23-26 Juli 2008

Magness, Vanessa. (2006). Strategic Posture, Financial Performance and Environmental Disclosure: An Empirical Test of Legitimacy Theory. Accounting, Auditing and Accountability Journal, Vol. 19, No. 4, 540-563.

Pebriana, Umi Sukma. (2012). Pengaruh Profitabilitas, Leverage, Umur Perusahaan, Komposisi Dewan Direksi, dan Kepemilikan Institusional Pada Pengungkapan Corporate Social Responsibility (CSR) di Bursa Efek Indonesia. E-Jurnal Akuntansi Universitas Udayana, Vol. 1, No. 2. (Online), (http://ojs.unud.ac.id/index.php/Akuntansi/article/ view/2034, diakses 30 Desember 2021).

Rankin, Michaela, Carolyn Windsor, dan Dina Wahyuni. (2011). An Investigation of Voluntary Corporate Greenhouse Gas Emissions Reporting in A Market Governance System: Australian Evidence. Accounting, Auditing and Accountability Journal, Vol. 24, No. 8, 1037-1070.

Rawi dan Munawar Muchlish. (2010). Kepemilikan Manajemen, Kepemilikan Institusi, Leverage, dan Corporate Social Responsibility. Simposium Nasional Akuntansi 13. Purwokerto. 13-15 Oktober 2010.

Samuel, Hatane dan Elianto Wijaya. (2008). Corporate Social Responsibility, Purchase Intention dan Corporate Image pada Restoran di Surabaya dari Perspektif Pelanggan. Jurnal Manajemen Pemasaran, Vol. 3, No. 1, 35-54.

Sembiring, Eddy Rismanda. (2003). Kinerja Keuangan, Political Visibility, Ketergantungan pada Hutang, dan Pengungkapan Tanggung Jawab Sosial Perusahaan. Simposium Nasional Akuntansi 6, Surabaya. 16-17 Oktober 2003.

International Journal of Business Economics (IJBE)
Vol, 2 Issue 2, pp 113 -120, March - August 2021
http://jurnal.umsu.ac.id/index.php/ijbe
eISSN 2686-472X

Sembiring, Eddy Rismanda. (2005). Karakteristik Perusahaan dan Pengungkapan Tanggung Jawab Sosial: Studi Empiris pada Perusahaan yang Tercatat di Bursa Efek Jakarta. Simposium Nasional Akuntansi 8. Solo. 15-16 September 2005.

Suryono, Hari dan Andri Prastiwi. (2011). Pengaruh Karakteristik Perusahaan dan Corporate Governance Terhadap Praktik Pengungkapan Sustainability Report (SR): Studi pada Perusahaan-Perusahaan yang Listed (Go-Public) di Bursa Efek Indonesia (BEI) periode 2007-2009. Simposium Nasional Akuntansi 14. Aceh. 20-23 Juli 2011.

Yaparto, Marissa, et al. (2013). Pengaruh Corporate Social Responsibility Terhadap Kinerja Keuangan pada Sektor Manufaktur yang Terdaftar di Bursa Efek Indonesia pada Periode 2010-2011. CALYPTRA: Jurnal Ilmiah Mahasiswa Universitas Surabaya, Vol. 2, No.1. 1-19