InCAF PROCEEDING OF INTERNATIONAL CONFERENCE ON ACCOUNTING AND FINANCE

Volume 2, 2024, PP: 172-186

Corporate Social Responsibility disclosure in view of corporate governance

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Abstract

This study aims to empirically prove the effect of corporate governance on Corporate Social Responsibility (CSR) disclosure. The research hypothesis is built based on legitimacy theory and stakeholder theory. The sample selection technique used purposive sampling. A total of 11 banking companies were used as samples with 6 years of research, so the number of observations was 66 observations. Research data processing uses Eviews 10 software by conducting descriptive statistical tests and multiple regression tests with balanced panel data to prove the research hypothesis. The results prove that institutional ownership, independent board of commissioners and the presence of female directors have a negative effect on CSR. The audit committee and the frequency of board meetings have a positive effect on CSR. The size of the board of directors and the board of commissioners has no effect on CSR. The results of this study can be used as a consideration for readers of the company's annual report, especially investors who are concerned about environmental issues in Indonesia.

Keywords: Corporate Social Responsibility, Corporate Governance, Banking Company

INTRODUCTION

Research from the Centre for Governance, Institutions and Organizations of the National University of Singapore (NUS) Business School explained that Indonesia scored 48.4 out of 100 on the quality of its Corporate Social Responsibility (CSR) disclosure, lower than Thailand and Singapore, which scored 56.8 and 48.8 respectively (https://bschool.nus.edu.sg). Nowadays, companies are expected not only to focus on the search for profit or profit alone. From a social perspective, companies must make a direct contribution to society with the aim of improving the quality of life of the community and the environment through the implementation of CSR (Afriani et al., 2023).

The practice of Corporate Social Responsibility has evolved over time. In the beginning, companies only focused on making profits. In Indonesia, CSR began to be taken more seriously by companies in the late 1990s, especially after the issuance of Law No. 23 of 1997 concerning environmental management (UUPLH) article 41. Although this law did not require companies to carry out CSR, because CSR practices at that time were still voluntary. However, the law brought hope that in the future companies would pay more attention to environmental and community impacts so as not to pollute the environment. Then, the government issued Law No. 40 of 2007 on Limited Liability Companies (Prawestri et al., 2022).

In Indonesia, the banking sector plays an important role in advancing the national economy. The dynamic development of the banking sector is one of the key factors in economic growth in various countries. The banking industry makes a significant contribution in Indeks Harga Saham Gabungan (IHSG) in Bursa Efek Indonesia (BEI) (Lailiyah et al., 2021). Banking is also a major pillar in the Indonesian economy, because it has a very important role in channelling funds for various interests that are directly related to the community.

At the end of 2017, 89% of the total companies listed on the Indonesia Stock Exchange (IDX) published sustainability reports separately from the annual report. The most active sector in publishing sustainability reports is the financial sector with a total of 17 companies, followed by the mining sector with 10 companies, and the transport sector with 7 companies. The high number of companies in the financial sector that publish sustainability reports indicates greater awareness in contributing to sustainable development. From the data, there are 15 banking companies that disclose sustainability reports. However, the lack of awareness in most companies in Indonesia to participate in sustainable development is the main cause of the low number of companies publishing sustainability reports. (OJK, 2017).

The banking sector not only carries out its main role in the banking sector, but must also show its concern for the surrounding environment. One form of this concern is through the implementation of the Corporate Social Responsibility (CSR) programme (Pratiwi et al., 2020). CSR is a framework that companies implement and can integrate as part of their business model. This results in the company being socially responsible to itself, its stakeholders, and the general public. (Ali et al., 2022). The reason why banking companies need to carry out social responsibility is because there is a paradigm shift in management responsibility, which used to be focused only on shareholders, has now developed into management's responsibility to all stakeholders..

There are several factors that influence CSR, the first of which is institutional ownership. When the ownership of shares in a company is more focused, the supervision carried out by the owner becomes more efficient and effective because management tends to work more carefully to fulfil the interests of the capital owner. (Fatma et al., 2014). Therefore, it can be assumed that the greater the institutional ownership, the higher the likelihood of companies to disclose CSR activities as a preventive measure of fraud in CSR disclosure (Tahar & Rachmawati, 2020).

One of the duties of the audit committee is to provide recommendations to the board of commissioners regarding reports or information submitted by the board of directors to the board of commissioners, identify aspects that require attention from the commissioners, and perform other tasks related to the mandate of the board of commissioners. (Peraturan Bapepam No. KEP-29/PM/2004). This shows that the audit committee is an important partner for the board of commissioners with duties, functions, and responsibilities for the company. This aims to increase the effectiveness of control and monitoring. Related to social responsibility disclosure, this will provide support to the board of commissioners and make it easier for them to carry out supervisory and control tasks on aspects of corporate social responsibility (Rivandi & Putra, 2019)

The presence of female directors is expected to add value to the company, because they are more detailed in terms of overseeing the implementation of CSR, thus expected to have a positive impact on the implementation of CSR, Female directors provide additional knowledge and a more open attitude to discuss CSR. (Fuente et al., 2017). The role of a female board of directors is a significant influence on CSR disclosure.

The board of directors is responsible for formulating policies and strategies for the management of the company's resources, both in the long and short term. The role of the board of directors has a high significance in the context of the company. (Sukandar & Rahardja, 2014), including its impact on CSR disclosure. The board size dimension also has an influence on the level of CSR disclosure. (Jain & Jamali, 2016).

An independent board of commissioners is essential in strengthening oversight of company management and promoting transparency in information disclosure. The existence of independent commissioners ensures that decisions taken by the company are objective and not influenced by personal or class interests. In this context, commissioner independence provides assurance that the company's decision-making process is conducted with high integrity and professionalism, leading to greater transparency in disclosing relevant and accurate information to stakeholders. (Kuswiratmo & SH, 2016) Thus, the presence of an independent board of commissioners supports the creation of a more ethical and accountable corporate environment, including CSR disclosure. (Anugerah & Dewayanto, 2011)

The board of commissioners is responsible for the supervision and management of company policies. In the context of Corporate Social Responsibility disclosure, the Board of Commissioners plays an important role in setting objectives and authorities related to CSR disclosure. (Maraya & Yendrawati, 2016). The Board of Commissioners' objective in CSR disclosure is to ensure that the company adheres to ethical and sustainability principles. They are responsible for ensuring that the company complies with the rules and regulations relating to CSR, and that the CSR policy is in line with the company's values and mission. (Trisnadewi, 2018).

Board meetings where issues related to the direction and strategy of the company that has been implemented or taken by management will be discussed, as well as the resolution of conflicts of interest. Therefore, with more frequent board meetings, it is expected that the supervision carried out by the board of commissioners will be more effective. Thus, the company's CSR disclosure will also increase. This finding is in line with previous research conducted by (Giannarakis, 2014)

Of the several factors mentioned above, this research is a development of Ali's research in 2021 which was conducted in Pakistan. The novelty of this research lies in the addition of audit committee variables, independent board of commissioners and frequency of board of commissioners meetings. This study aims to provide empirical evidence regarding the effect of corporate governance on CSR disclosure in banking companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2022.

The contribution of this study is to help companies understand the positive impact of CSR disclosure. With CSR, companies can strengthen their image as an entity that cares about society and the environment, which in turn can improve their reputation in the eyes of consumers, investors, and business partners. In addition, the benefit of this research for regulators is to provide empirical information that can be used to develop stronger and more relevant policies related to corporate social responsibility. The results of the research are expected to help formulate more effective regulations.

LITERATUR REVIEW AND HYPHOTESIS DEVELOPMENT

Stakeholder Theory

According to stakeholder theory, a company's performance and long-term existence depend on the support of its stakeholders. (Van der Laan Smith et al., 2005). Stakeholders include the general public as well as creditors, workers, consumers, suppliers, auditors, regulators, and governments. According to (Adebayo & Esther, 2000), These stakeholders have expectations for the entity's CSR actions, including pollution protection, effective and efficient use of natural resources, employment requiring diversity, minority employment, and eradication of prejudice.

By utilising CSR as a communication channel and by providing environmental and social information requested by stakeholders (Freedman & Jaggi, 2005), entities must operate in accordance with the expectations of their stakeholders to secure their support for their business endeavours. Companies should, for example, satisfy their customers and workers economically while not harming the environment, depleting their workers' natural resources, or subjecting them to inhumane working conditions (Achua, 2008).

Based on the description of the statements that have been described above, this research will then use stakeholder theory to explain and develop existing hypotheses and which will be tested in disclosed corporate social responsibility activities, which disclosure cannot be separated from the implementation of good corporate governance, considered to fulfil the company's obligations to stakeholders.

Legitimacy Theory

Legitimacy Theory, which emphasises the need for businesses to uphold their moral obligations to the communities in which they operate while also rewarding businesses that do so. As a result, it plays an important role in how CSR is conceptualised (Palazzo & Scherer, 2006). The literature often refers to this idea to explain CSR reporting methods. According to this theory, an organisation gains legitimacy when its value system is compatible with the social system to which it belongs, where there is a mismatch, the organisation's legitimacy is said to be in jeopardy. (Lindblom, 1994). Corporate social responsibility disclosures should be transparent in disclosing information about their activities, including social and environmental impacts. By doing this, they can maintain their legitimacy in the eyes of society. Corporate governance includes practices that support transparent disclosure. One of the key components of corporate governance is social accountability reporting, which is part of maintaining a company's legitimacy in society.

Institutional Ownership and Corporate Social Responsibility Disclosure

Institutional share ownership is considered to be parties that can monitor or supervise the running of the company, because institutional ownership is considered to be independent parties including organisations, such as pension funds, mutual funds, government organisations, foreign organisations, and so on that can supervise the company (Ardiansyah, 2014). With institutional ownership, it can reduce problems in a company by increasing supervision of the company. Institutional parties who have a large enough stake in the company, will act as owners of the company, will be very interested in building a better company image. This is because the disclosure of corporate responsibility will be considered as one of the company's efforts to align itself with the environment and social around the company. That institutional ownership has a positive and significant effect on the disclosure of Corporate Social Responsibility which shows the greater the institutional ownership in the company, will make management try to disclose social responsibility will be greater which is in line with research (Jaya et al., 2017; Listyaningsih et al., 2018; Nugroho & Yulianto, 2015; Nurleni & Bandang, 2018; Singal & Putra, 2019) Based on this, the hypothesis that can be formulated is as follows;

H1: Institutional Ownership Has a Positive Effect on Corporate Social Responsibility Disclosure

Audit Committee and Corporate Social Responsibility Disclosure

The duties of the audit committee are to provide recommendations to the board of commissioners regarding reports or information submitted by the board of directors to the board of commissioners, identify aspects that require the attention of the commissioners, and perform other tasks related to the mandate of the board of commissioners. (Peraturan Bapepam No. KEP-29/PM/2004). This shows that the core role of the audit committee is as a supervisor of the financial system and transparency of corporate reporting, and the level of success is highly dependent on the ability of the audit committee to carry out its duties. Research conducted by Nurfadilah & Sagara (2015) shows that the size of the audit committee has a positive effect on CSR disclosure. Where the role of the audit committee is part of the role of supervision and reporting and transparency so that the audit committee will carry out its responsibilities where one of them is preparing CSR disclosures. This is supported by research from (Abidin & Lestari, 2020; Fallah & Mojarrad, 2019; Krisna & Suhardianto, 2016; Restu et al., 2017) , Based on the above, the following hypothesis can be drawn:

H2: Audit Committee has a positive effect on Corporate Social Responsibility

Female Board Presence and Corporate Social Responsibility Disclosure

The presence of women in the board of directors signifies that the company provides equal opportunities for everyone, has a broad understanding of the company's market and consumers, which in turn will increase reputation (legitimacy) (Lückerath-Rovers, 2010). Women are very cautious, risk-averse and more meticulous than men. It is this side that makes women unhurried in making decisions. For this reason, the presence of women in the board of directors is said to help make more informed and lower-risk decisions (Astuti, 2017). According to the views of experts Supported in previous research such as in the research of Puspitasari & Januarti (2014), Dewi & Aryista (2016), Hadya & Susanto (2018) stated the same thing that the presence of women on the board has a positive influence on the disclosure of Corporate Social Responsibility. Where basically the existence of women who tend to be careful and tend to avoid risks and be more careful. Based on the above, the following hypothesis can be drawn;

H3: The existence of a female board of directors has a positive effect on Corporate Social Responsibility.

Board Size and Corporate Social Responsibility Disclosure

The board of directors is the person who determines important policies in a company, which has the responsibility to create and organise governance that can be used properly by the company. The size of the board of directors can influence the discussion and decision-making process, which can affect good corporate governance and will affect the performance of a company (Arifin & Destriana, 2016). The board of directors is there to solve the internal problems of the company. According to (Garas & ElMassah, 2017; Kristina & Wati, 2019; Naseem et al., 2017; Sunarti & Sarwono, 2019) revealed that the size of the board of directors has a positive effect on Corporate Social Responsibility because the larger the board of directors, the greater the company's ability to disclose Corporate Social Responsibility. Based on this, the following hypothesis can be drawn:

H4: Board of Directors size has a positive effect on Corporate Social Responsibility disclosure

Board of Commissioners Size and Corporate Social Responsibility Disclosure

The board of commissioners plays an important role in monitoring the performance of the board of directors. When directors make inappropriate decisions, the board of commissioners has the authority to provide advice. The considerable presence of the board of commissioners can provide encouragement for management to improve the implementation of corporate social responsibility programmes. If the disclosure of corporate social responsibility is not optimal, the board of commissioners plays a role in overseeing the implementation of the company's business that is being managed by their board of directors as well as possible. In research by Istifaroh dan Subardjo (2017) stated that the size of the board of commissioners has a positive influence on the disclosure of Corporate Social Responsibility. The more boards of commissioners the better the quality and quantity of CSR disclosure. Based on this, the following hypothesis can be drawn.

H5: Board size has a positive effect on Corporate Social Responsibility disclosure

Independent Board of Commissioners and Corporate Social Responsibility Disclosure

Independent commissioners are not directly involved in the day-to-day operations of the corporation, which ultimately allows them to make more impartial recommendations since they do not own shares in the business (Coffey & Wang, 1998). Independent commissioners have more varied motivations, objectives and time horizons than boards of directors, which are often more focussed on short-term financial goals (Donnelly & Mulcahy, 2008; Post et al., 2011). With the composition of the independent board of commissioners on the board of commissioners, it will be easier to control the CEO and monitoring will be more effective. (Marlindona et al., 2017). Research conducted by Ibrahim dan Hanefah (2016), shows that independent commissioners have a positive effect on CSR disclosure. Where the independent commissioner is not one of the stakeholders so that it will be neutral in the company so that in conducting its supervision he will prioritise the long-term interests of the company. This research is supported by (Anggraeni, 2020; Biswas et al., 2019; Guerrero-Villegas et al., 2018; Ibrahim & Hanefah, 2016; Naseem et al., 2017). Based on this, the following hypothesis can be drawn.

H6: Independent Board of Commissioners has a positive effect on Corporate Social Responsibility disclosure

Frequency of Board of Commissioners Meetings and Corporate Social Responsibility Disclosure

Meetings of the board of commissioners where the frequency of meetings will affect the decision of the board of commissioners in carrying out its duties as supervision in the company in one period. The meetings will discuss issues related to the direction and strategy of the company that has been implemented or taken by management, as well as the resolution of conflicts of interest (FCGI, 2002). To prevent conflicts of interest in the implementation of CSR, it is necessary to have a board of commissioners meeting to monitor the company in carrying out its corporate responsibilities. To meet the needs of diverse stakeholders, boards of commissioners often hold meetings that control business operations or activities and publicise information on social responsibility (Sektiyani & Ghozali, 2019). The findings of Sektiyani and Ghozali (2019) show that the frequency of board of commissioners meetings has a positive impact. Where this shows that the more meetings of the board of commissioners, the stronger the supervision will be in the disclosure of corporate social responsibility disclosures. Based on this, the following hypothesis can be drawn.

H7: Frequency of Board of Commissioners Meetings has a Positive Effect on Corporate Social Responsibility Disclosure

RESEARCH METHODS

Unit Analysis

This type of research is quantitative research. The data in this study are in the form of annual reports and sustainability reports taken from banking companies listed on the Indonesia Stock Exchange in 2017-2021. The sampling method uses purposive sampling method. Where the sample meets the following criteria.

Table 1. Research Sample

No	Sample Explanation	Sample Quantity
1	Banking companies listed on the Indonesia Stock Exchange in 2017-2022.	46
2	Banking companies that do not publish a complete sustainansibility report during 2017-2022..	(34)
3	Banking companies that do not have complete data on research variables in the annual report..	(1)
	Number of companies in the sample	11
	Number of years of observation	6
	The final amount of data used in the study	66

Corporate Social Responsibility

Corporate Social Responsibility is a form of corporate responsibility with the surrounding environment. In this study, researchers used the research standards conducted by Yuliana & Syaiful (2015) in disclosing Corporate Social Responsibility using the Global Reporting Initiatives (GRI) CSR disclosure version 4 published in 2013. GRI as the authority on sustainability reports in the world, has developed a framework for Sustainability Reporting including CSR disclosure indicators. This study uses a checklist on Corporate Social Responsibility items, if the aspects disclosed by the company are in accordance with the applicable GRI standards, it will be given a value of 1 and if they are not in accordance, it will be given a value of 0. The results will then be entered into the formula (Pradipta & Supriyadi, 2015). In this study the formula used:

$$CSR_i = \frac{\sum X_{ij}}{n_j}$$

CSRi : Corporate Social Responsibility
∑ XIj : Number of Corporate Social Responsibility items disclosed by the company.
1 = if item I is disclosed; 0 = if item I is not disclosed. Thus 0 < CSRi< 1
Nj : Number of items for the company j, nj= 91

Institusional ownership

Institutional ownership is the total proportion of company shares owned by an institution or business entity of an organisation. Institutional ownership has an important role in monitoring management because institutional ownership will encourage an increase in optimal supervision. The greater the institutional ownership, the greater the voting power and encouragement of the institution to oversee management (Ardiansyah, 2014). Institutional ownership in this study is measured using an indicator of the percentage of shares owned by institutional parties of the total number of shares of the company. Institutional ownership is the proportion of share ownership measured in percentage of shares owned by institutional investors in a company (Vivien dan Nur, 2017). Institutional ownership is calculated using the following formula:

$$INST = \frac{number\ of\ institutionally\ owned\ shares}{number\ of\ shares\ outstanding} X\ 100\%$$

Audit committee

The audit committee is responsible for overseeing the financial reporting process. The audit committee also connects shareholders and commissioners with management in an effort to address control. There is at least one independent commissioner as chairman of the audit committee, and two people from outside the company as members of the audit committee. The audit committee in a company can be measured by the number of audit committee members (Rimardhani et al., 2016). The number of audit committees measured by calculating the number of audit committee members of each company used as a sample in this study

$$audit\ committee = number\ of\ audit\ committees$$

Size of female directors

Female directors make their participation in the board of directors in the entity make gender diversity on the board. In this study, female directors can be measured by looking at the entity's board report. Female directors are measured using the percentage of female directors in the company (Astuti, 2017). Female Board of Directors, namely the number of boards of directors who have female gender and serve in the company. The calculation for the female board of directors which refers to Fauziah & Probohudono's research (2018) is as follows:

$$DIRFP = \frac{number\ of\ female\ Board\ members}{number\ of\ Board\ of\ directors} X100\%$$

Size of the Board of Directors

The board of directors is crucial for a company. Board size is also considered to have a considerable influence on the diversity of a board of directors. Large companies tend to have greater resources, so they can have a larger board size. In this study, board size is measured by calculating the total members of the board of directors in a company. Measurements in the research of (Qadan and Suwaidan, 2018) are used as a reference in calculating board size in this study:

$$Directors = number\ of\ directors$$

Independent Board of Commissioners

Independent commissioners are members of the board of commissioners who are not affiliated with management, other members of the board of commissioners and controlling shareholders, and are free from business or other relationships that could affect their ability to act independently or act solely in the interests of the company (Komite Nasional Kebijakan Governance, 2006). The existence of independent commissioners has been regulated by the Jakarta Stock Exchange through IDX regulations dated 1 July 2000. It is stated that companies listed on the stock exchange must have independent commissioners who are professionally equal to the number of shares owned by minority shareholders. In this regulation, the minimum number of independent commissioners is 30% of all board members (Widyati, 2013). The independent board of commissioners can be calculated using the following formula:

$$KOMI = \frac{number\ of\ independent\ board\ of\ commissioners}{number\ of\ Board\ of\ Commissioners} X100\%$$

Size of the Board of Commissioners

The number of board of commissioners members determines the size of the board (Sembiring, 2005). The BOC oversees all decisions made by management and, if needed, offers guidance to management. The number of board members in the company, including the main commissioner, independent commissioners, and commissioners, is used in this study to determine the effectiveness of the board of commissioners (Rini, 2010).

$$Board\ size = number\ of\ board\ of\ commissioners$$

Frequency of Commissioners Meeting

Commissioners get a chance to talk about the company's success during board meetings. To improve business performance by reducing agency problems, the board of directors should meet frequently. The effectiveness of the board can be influenced by the frequency of meetings, a high frequency of meetings can result in better monitoring. In this study, the frequency of board meetings is measured by the number of special meetings of the Board of Commissioners held during one year (Ariningtika & Kiswara, 2013; Sinaga & ghozali, 2011)

$$Frequency\ of\ Commissioners\ Meetings\ =\ number\ of\ commissioners'\ meetings$$

In this study, the data analysis method used is the panel data regression method using Eviews software version 10. To test the panel data regression analysis model, the regression model used is as follows:

CSRD = β0 + β1 INST + β2 CA+ β3 DIRFP + β4 DIR+ β5 KOM + β6 KOMI+ β7 FRK+β8 ROA+ β9 ROE+ β10 usia+ β11 LN_aset

Keterangan :

β = koevisien regresi (beta)
INST = Institutional Ownership
CA = Audit Committee
DIRFP = Size of female directors
DIR = Board Size
KOMIN = Independent Board of Commissioners
KOM = Size of the Board of Commissioners
FRK = Frequency of Commissioners Meeting
ROA = Return On Assets
ROE = Return On Equity
Usia = Company Age
LN_Asset = Company Size

RESULTS AND DISCUSSION

Descriptive Statistics

Based on the data that has been obtained and processed, the following are descriptive statistics for each variable.

Table 2. Descriptive Statistics

	Min	Max	Mean	Std. Dev
Corporate Social Responsibility (CSR)	6,593407	56,04396	26,523480	12,2154
Institutional Ownership	53,0000	97,0000	73,72727	14,69227
Audit Committee	3,0000	8,0000	4,742424	1,417588
Size of female directors	0	75,0000	24,30752	15.09939
Board Size	4,0000	12,0000	9,409091	2,197742
Independent Board of Commissioners	12,5000	80,0000	56,55904	9.787326
Size of the Board of Commissioners	2,0000	10,0000	7,045455	1.900865
Frequency of Commissioners Meeting	5,0000	62,0000	22,95455	16,59604
ROA	0,1300	3,9000	2,084091	0,864815
ROE	1,0000	21,7000	13,27288	5,188507
Company Age	19,0000	126,0000	71,5000	28,11966
Company Size	24,66521	28,32043	26,60035	0.995929

Based on the descriptive statistics table above, CSR disclosure has an average value of 26.5%. The CSR variable shows a relatively low average value, which means that CSR disclosure still does not fully meet the criteria required by the GRI. Institutional ownership has an average value of 74% which is in the rules Peraturan Bank Indonesia Nomor 14/ 8 /PBI/2012, Legal entities of bank financial institutions may own Bank shares of more than 40% of the Bank's capital provided that they obtain Bank Indonesia's approval and must fulfil the specified requirements. The audit committee has an average of 4 people, which fulfils the applicable rules issued by the Otoritas Jasa Keuangan (OJK).Nomor 55/POJK.04/2015 which states that the audit committee must have at least 3 members. With this, the average audit committee of 4 people has met the standards set by OJK.

The female board of directors has an average proportion of 24% and the rest of the male board of directors, this is still not quite comparable to the presence of male directors but the presence of a female board of directors indicates that the company provides equal opportunities for everyone, there is no discrimination (Lückerath-Rovers, 2010). The board of directors has an average number of 9 and the board of commissioners has an average of 7 members. in accordance with regulations OTORITAS JASA KEUANGAN NOMOR 55 /POJK.03/2016, where the board of directors and the board of commissioners consist of at least 3 people. The size of the board of commissioners and directors is in accordance with applicable regulations. The percentage of independent commissioners averages 56% which is in accordance with the rules issued by the OJK, the minimum percentage of independent commissioners is 50%, thus it is in accordance with the regulations set by the OJK.

The frequency of board of commissioners meetings has an average of 23 times a year, where the board of commissioners whose function is to determine the strategic direction of the company and monitor the company's performance. According to Bank Indonesia Regulation 2006, it is required that the Board of Commissioners meetings must be held regularly at least 4 (four) times a year. The meeting must be attended by all members of the Board of Commissioners in person at least 2 (two) times a year.

Estimation Model Selection

The selection of the estimation model is carried out with 3 tests, namely the Chow Test, Hausman Test, and Lagrange Multiplier (LM) Test. Based on the tests that have been carried out, the result is that the best estimation model that can be used for further analysis in this study is the Fixed Effect Model.

Hypothesis Proving

This study aims to provide empirical evidence on the effect of corporate governance on Corporate Social Responsibility disclosure in Indonesia. The following are the results of the statistical tests that have been carried out.

Table 3. Hypothesis Testing Results

Dependent Variable	**CSR**	
Independent and Control Variables	**Coefficient**	**P-Values**
Institutional Ownership	-0.401258	0.0149
Audit Committee	1.545464	0.0098
Size of female directors	-0.294828	0.0013
Board Size	-0.484213	0.4492
Independent Board of Commissioners	0.323944	0.736
Size of the Board of Commissioners	-0.18745	0.0265
Frequency of Commissioners Meeting	0.277512	0.0463
ROA	9.024	0.1852
ROE	5.006056	0.0398
Company Age	-0.688647	0.1134
Company Size	3.983803	0.0000
Adjusted R-squared	0.807903	
F-Value	14.01768	
Sig.	0.00000	

From the table above, the Prob F value (model test) is 0.000000 or smaller than α, which is 0.05, which means that the model used is good and fit so that further analysis can be done. The Adjusted R-Squared value of 0.807903 means that the independent variables used in this study, namely corporate governance and control variables, can explain the dependent variable, namely CSR disclosure by 80.79% while the remaining 19.21% is explained by other variables not used in this research model.

Discussion of Hypothesis Proving

Institutional ownership has a negative effect on Corporate Social Responsibility (hypothesis 1 is rejected). The results of this study are in line with the research of Sari & Rani (2015) which concluded that the higher the institutional ownership, the lower the disclosure of Corporate Social Responsibility. The results of this study do not support stakeholder theory which emphasises that with institutional ownership, these parties should have an obligation to act ethically, contribute to social development, and consider their impact on society and the surrounding environment. Institutional ownership itself is share ownership owned by an institution or institution either from the government or private parties. Negative influences may arise because the main concern of institutional owners, such as institutions, agencies, or companies is the profit generated by the company. This can directly affect the level of return obtained by institutional owners from their investment in the company. So that if the company's demands are higher in obtaining profits, this will have an impact on the company's cost efficiency in disclosing Corporate Social Responsibility.

The audit committee obtained a p-value of 0.0098 smaller than 0.05 (0.0098>0.05) with a coefficient of 2.699728. This means that the audit committee has a positive effect on Corporate Social Responsibility (hypothesis 2 is accepted). The results of this study are in line with research (Abidin & Lestari, 2020; Fallah & Mojarrad, 2019) that the more the size of the audit committee, the higher the disclosure of Corporate Social Responsibility. The results of this study are in accordance with stakeholder theory, where the audit committee is included in the company's stakeholders who are independent with the task of supervising, reviewing and providing recommendations related to financial disclosure and sustainable reports. The influence of the audit committee is more dominant than the board of commissioners in determining the extent to which the company discloses its social responsibility. By increasing the number of audit committee members, the company strengthens oversight of its social activities. The existence of an audit committee is able to provide assistance to the board of commissioners in overseeing the company's overall performance, both from an internal and external perspective.

The existence of a female board of directors obtained a p-value of 0.0013 smaller than 0.05 (0.0013>0.05) with a coefficient of -3.425397. This means that the existence of a female board of directors has a negative effect on Corporate Social Responsibility (hypothesis 3 is rejected). The proportion of female board of directors will have a negative impact on the disclosure of Corporate Social Responsibility, this is in line with research (Tang & Sari, 2022). This study does not support the stakeholder theory where the presence of female directors has not been able to provide new views related to the disclosure of Corporate Social Responsibility. Based on the research data, it shows that the presence of a female board of directors still tends to be small compared to the male board of directors. This means that there is a less comparable composition between female directors and male directors, which can suppress the attitude of the female board of directors in disclosing Corporate Social Responsibility.

The board size obtained a p-value of 0.4492 greater than the value of 0.05 (0.4492>0.05) with a coefficient of -0.7636. This means that the size of the board of directors has no effect on Corporate Social Responsibility (hypothesis 4 is rejected). The results of this study are in line with the research (Nwude & Nwude, 2021). The results of this study are not in accordance with stakeholder theory, where the board of directors as a stakeholder who regulates the running of the company, apparently has not been able to provide encouragement in the disclosure of social responsibility to the wider community. This means that the greater the number of directors, the more widespread the CSR disclosure. Although they have the authority to run the company, the more directors will be more at risk with conflicts of interest between directors, commissioners and shareholders. So that the conflict of interest is felt to make it difficult to expand the disclosure of Corporate Social Responsibility.

The size of the board of commissioners obtained a p-value of 0.736 greater than the value of 0.05 (0.736>0.05) with a coefficient of 0.339272. This means that the size of the board of commissioners has no effect on Corporate Social Responsibility (hypothesis 5 is rejected). The results of this study are in line with research (Yuliana et al., 2008). However, the results of this study have not been able to support stakeholder theory, where the commissioners as stakeholders have not had a large enough role in monitoring and providing advice related to all types of activities in the company including in the disclosure of Corporate Social Responsibility. The more the number of members of the board of commissioners in a company, the disclosure of corporate social responsibility will not be more extensive even though it has a supervisory role and has a role in maintaining good relations with stakeholders. The size of the board of commissioners does not have a trend in the disclosure of Corporate Social Responsibility because basically the presence of commissioners in the bank will be more likely to monitor the economic and financial performance of the company and very minimal mention related to the disclosure of social responsibility.

The independent board of commissioners obtained a p-value of 0.0265 smaller than the value of 0.05 (0.0265>0.05) with a coefficient of -2.296575. This means that the independent board of commissioners has a negative effect on Corporate Social Responsibility (hypothesis 6 is rejected). This research is in line with research (Utami et al., 2017). However, the results of this study However, the results of this study have not been able to support stakeholder theory, where the independent board of commissioners is expected to integrate the company's business strategy with strategic decision making in social responsibility disclosure. The existence of an independent board of commissioners in the banking industry should control the interests between shareholders and managerial. However, it is possible that the existence of an independent board of commissioners is only a requirement for fulfilling regulations so that the independent board of commissioners is considered less capable of providing advice or determining the company's strategic direction related to CSR disclosure.

The frequency of board of commissioners meetings obtained a p-value of 0.0463 smaller than the value of 0.05 (0.0463>0.05) with a coefficient of 2.050682. this means that the frequency of board of commissioners meetings has a positive effect on Corporate Social Responsibility (hypothesis 7 is accepted). The results of this study support and are in line with previous research from Solikhah and Kuswoyo (2019), and Sektiyani and Ghozali (2019) which concluded that the number of board of commissioners meetings has a positive effect on CSR disclosure. The results of this study support stakeholder theory, where the board of commissioners meeting functions as a means of monitoring or supervision in the disclosure of social responsibility. The more frequent meetings may also discuss the disclosure of Corporate Social Responsibility. The board of commissioners meeting as part of supervision will be stronger in disclosing Corporate Social Responsibility because with this meeting the board of commissioners will provide suggestions and ideas regarding strategic steps in disclosing Corporate Social Responsibility.

CONCLUSION

Based on the test results, it is concluded that the variables of institutional ownership, the existence of a female board of directors and an independent board of commissioners have a negative effect on Corporate Social Responsibility. While the audit committee variable and the frequency of board meetings have a positive effect on the disclosure of Corporate Social Responsibility. The variable size of the board of directors and the board of commissioners has no effect on the disclosure of Corporate Social Responsibility. Based on the findings of this study, it is hoped that the regulator will use this as a basis for further improving existing regulations, and for companies it is expected as an evaluation material in governance in the disclosure of Corporate Social Responsibility. From these results, for further research, researchers suggest being more specific regarding the characteristics of the board of commissioners and the board of directors.

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