AFRE Accounting and Financial Review, 7(2): 117-130, 2024
https://jurnal.unmer.ac.id/index.php/afr

The Attributes of The Corporate Governance to The Quality of Corporate Social Responsibility Disclosure

Ikbar Pratama*, Khalik Pratama, Diny Atrizka, Mohd. Idris Dalimunthe

Universitas Medan Area, Medan, Indonesia
Jl. Setia Budi No. 79 B Medan, 20112, Indonesia

Article info

Keywords:
Corporate governance, Corporate social responsibity disclosure, and Family ownership.

Abtract

This study aims to explore the relationship between corporate governance attributes (such as political connections, proportion of women, multiethnicity, family ownership, and board composition) with CSRD quality. The independent variables for this study are gathered from the 2023 annual reports of each listed company on the IDX. Meanwhile, the dependent variable, CSRD quality, is summarized from the environmental and social disclosures present in these annual reports. The disclosed information is then converted into a percentage to represent the score of CSR disclosure quality. The research sample was 460 companies listed on the Indonesia Stock Exchange (IDX) in 2023. The association between corporate governance attributes and CSRD quality examined using multiple regression. The outcomes of the multiple regression analysis reveal that the political connection of the board of commissioners (PCOBC) and the composition of the board of directors (TCOBD) significantly impact CSRD quality among the 460 Indonesian publicly listed companies in the year 2023.

ISSN (print): 2598-7763
ISSN (online): 2598-7771

Citation: Pratama, I., Pratama, K., and Atrizka, D., (2024). The Attributes of The Corporate Governance to The Quality of Corporate Social Responsibility Disclosure. AFRE Accounting and Financial Review, 7(2): 117-130

Corresponding Author:
Name: Ikbar Pratama
E-mail:ikbar.p@gmail.com

JEL Classification: M14, M41
DOI: https://doi.org/10.26905/afr.v7i2.12668

1. Introduction

In a global context, the term Corporate Social Responsibility (CSR) was introduced in the 1970s and popularised by Elkington (1998). This book discusses the development of three important components of sustainable development, namely economic growth, environmental protection, and social justice." CSR programs and their implementation practices have increasingly attracted the attention of ob-servers, academics, and CSR practitio-ners.

There has been a shift in principles in the practice of CSR implementation, from an initial focus on philanthropy to social empowerment (Mohamed & Keat, 2013; ElAlfy et al., 2020; Agus, 2020; and Sharma & Singh, 2022). This shift has made CSR no longer just a trend or a formality program, as seen in previous thoughts. CSR now involves four domains, namely business, law, ethics, and philanthropy (Carroll, 1991; Shahzad et al., 2020; van Zanten & van Tulder, 2021; Carroll, 2021; Alkaraan et al., 2022; Alatawi et al., 2023; and (Zhao et al., 2023) incorporating the principle of harmonizing people, planet, and profit (Elkington, 1998, Kurniawan, 2018; Kirby et al., 2022; Hariram et al., 2023). Increased social control and critical actions from the public have made businesses pay more attention to CSR.

According to Moravcikova et al. (2015); Feng & Ngai (2020); Wu & Hąbek (2021); Rau & Yu (2022), increasing public awareness of the role of companies in society has led to cri-ticism related to social issues, pollution, re-sources, waste, product quality, product safety levels, and the rights and status of workers. Pressure from various parties forces companies to be responsible for the impact of their business activities on society, not only to shareholders and creditors but also to the wider public (Pratama et al., 2019; Purbawangsa et al., 2020; Sulhan & Pratomo, 2020 and Mustofa et al., 2021);

CSRD is a business practice based on ethical values, compliance with legal requirements, and respect for individuals, communities, and the environment (Esa & Zahari, 2016; Tambunan et al., 2022). From Horng et al. (2018); Carroll (2021); and Schwartz & Kay (2023) perspective, CSR also implies conducting business in an economical, legal, ethical, and socially supportive manner. Bhimani and Soonawalla (2005); Pratama et al. (2020); Ameraldo & Ghazali (2021; Prabawani et al. (2023); Ali et al. (2024) suggest that each CSR activity and corporate governance of a company are two dimensions of the same currency, as both emphasize the importance of companies carrying out their responsibilities and duties to all stakeholders.

Moreover, CSR and corporate governance highlight the significance as longterm evaluation achievements, ultimately supporting the promotion of business existence and sustainable acceptance (Esa & Ghazali, 2012; Vartiak, 2016). The role of CSR is interpreted as an effort to create good corporate governance (CG), positive corporate citizenship, and maintained business ethics within a business entity. Therefore, companies not only monitor the interests of shareholders but also prioritize meeting the interests of stakeholders (Raynard & Forstater, 2002; Giannarakis, 2014; Lubis et al., 2019; Fahad & Nidheesh, 2020; Mrabure & Abhulimhen-Iyoha, 2020; and Ali et al., 2022).

In Indonesia, regulations regarding corporate social responsibility (CSR) have been established by the government since 1994 through the Decree of the Minister of Finance of the Republic of Indonesia Number 316/ KMK.016/ 1994 concerning the program for the development of small businesses and cooperatives by State-Owned Enterprises. This regulation was further elaborated by the Decree of the Minister of BUMN No. Kep-236/MBU/2003, which stipulates the obligation for each company to allocate 1% (one percent) to 3% (three percent) of post-tax profits for the implementation of CSR programs.

Waagstein (2011) identified two main issues in Corporate Social Responsibility in Indonesia. First, there is inconsistency and a lack of understanding of CSR among the community, companies, government, and interest groups. At the local company level, the concept of CSR is still not fully understood, resulting in activities that tend to be uniform or lacking diversity. Second, there are social and legal issues in Indonesia, including the lack of operational standards that should follow international standards. These issues may not always align with the local context (Waagstein, 2011; and Wirba, 2023). Therefore, the implementation of CSR in Indonesia faces the challenge of aligning CSR practices with the social, economic, and legal realities at the local level.

The issues raised in this study involve several aspects. One main issue is the lack of studies in Indonesia that cover all sectors of activity using updated and relevant GRI indices to the Indonesian economy in evaluating the quality of Corporate Social Responsibility Disclosure (CSRD). For example, the research by Rusmanto and Williams (2015) only focused on the coal and mining sectors using GRI 3.1 indicators (EC 1 and EN1 - EN30). Another issue is the limited research exploring the relationship between the quality and corporate governance of CSRD in PLCs in Indonesia.

Primarily, this inconsistency might occur due to the moderating effect of other variables. According to Namazi and Namazi (2016), a moderation relationship is important in examining the relationship between two variables to explain complex business better than a direct relationship. Therefore, we include foreign ownership as the moderating variable. Several reasons why foreign ownership is chosen: (1) foreign investors still dominate the Indonesian equity market with a 51% market share in 2018 (Ayuningtyas, 2019; CNN Indonesia, 2019), especially since 2021, some sectors can be owned up to 100% re-ferring to Presidential Regulation No. 10 of 2021; (2) foreign investors are more concerned with social and environmental issues because they are more knowledgeable and compliant with ecological laws (Rustam et al., 2019); (3) foreign investors are more influential in determining stock prices in the market (Wang, 2007; Khanthavit, 2020; Tjandrasa, 2021; and Syamni et al., 2021).

Foreign ownership moderates the corporate governance attributes (PCOB, WPOB, ETOB, FAOWN, TCOB) and CSR disclosure relationship positively and can also negatively impact CSR disclosure. This result is still in line with research conducted by Rouf (2022) Bayrakdaroglu et al., 2012; Al-Gamrh et al., 2020, Ersoy et al., 2022; Ersoy et al., 2022; and

Boshnak et al., 2023). Two possible reasons may explain why foreign ownership could negatively affect CSR disclosure. First, the corruption and high bureaucracy in developing countries could hinder foreign investors from giving their full potential in influencing companies. Second, emerging markets are still not concentrated and suffer from information asymmetry, which lowers foreign investors' ability to monitor firms.

The study results Pratama et al. (2020) show that only foreign ownership (FOROWN) of all corporate governance attributes has a significant relationship with CSRD quality. While the control variables, company size, and company sector, have a significant relationship with CSRD quality among public companies on the IDX.

Thus, the purpose of this study is to investigate the relationship between CG and the quality of CSRD in Indonesian public companies (PLC) in 2023 with foreign ownership as a moderating variable. In general context, the organizational structure of Indonesian public companies involves two levels of boards, namely the Board of Commissioners (BoC) and the Board of Directors (BoD), which directly and collectively serve the company. Therefore, Indonesian PLCs are an interesting case study to test the relationship between CG and CSRD quality.

2. Hypothesis Development

Corporate Governance (CG) refers to the relationships between a company and its stakeholders or society in general. High levels of CG can serve as a protection of stakeholder rights and ensure the execution of social responsibilities. Adopting standardized CG structures is a crucial way to fulfill CSR and achieve sustainable development. With good governance, companies can prevent legal violations or short-term actions and be more willing to disclose social responsibility information to the public. This not only reveals the company's achievements but also attracts more investors (Khan et al., 2012; Zaman et al., 2022; and Pulino et al., 2022). Thus, having an effective CG structure is foundational for executing social responsibilities. Various factors in corporate governance have different impacts on CSR information disclosure.

In companies with political connections, agency conflicts can arise because influential political directors may have personal interests in the company (Rahman & Ismail, 2016). Their presence in the company should be responsible for protecting the company's wealth and resources (Osamwonyi & Tafamel, 2013; Ahmed & Hussainey, 2023; and Selin et al., 2023). Considering the propositions of legiti-macy and agency theory, as well as previous empirical research, the alternative hypothesis developed for this study can be detailed as follows:

H_1: Board political connections (Commissioners and/or Directors) are related to the quality of corporate social responsibility disclosure.

Gender diversity on the board can enhance governance effectiveness through the use of capital resources and the roles of both institutions, creating a fairer business environment and reflecting the existence of stakeholders (Kakabadse et al., 2015; Siong Chin et al., 2019; Wang, 2020; Martinez-Jimenez et al., 2020; and Alshirah et al., 2022). The presence of women in higher corporate board positions tends to reflect altruistic attitudes that lead to better social behaviors, such as donations, engagement in environmental relationships, and employment (Bernardi, 2010)

Research shows that companies with at least three female board members tend to contribute 28% more to CSR funds compared to companies without female board members. This is due to gender differences that can maximize the quality of decision making and provide extra attention to environmental and ethical issues (Muttakin et al., 2015; Hyun et al., 2016; Ghaleb et al., 2021; and Gaio & Gonçalves, 2022). In the UK, research by Liao et al. (2015) found that female representation on the board positively affects CSR disclosure.

Therefore, it can be concluded that gender diversity on the board can enhance CSR disclosure related to global climate and increase female representation on the board. Based on the above explanation, the alternative hypothesis can be formulated as follows:

H_2: The proportion of women on the board (Commissioners and Directors) is related to the quality of corporate social responsibility disclosure.

Using legitimacy theory, Carter et al. (2005); Chin et al. (2019); Agyemang-Mintah & Schadewitz (2019); Brahma et al. 92021); Arvanitis et al. (2022); Ben Fatma & Chouaibi (2023); and Al-Shaer et al. (2024) found a positive relationship between the proportion of women or minorities on the board and firm value. They argued that diversity can enhance board independence because individuals with different backgrounds, genders, or ethnicities can bring perspectives that might not arise from a homogeneous group (Carter et al., 2005; Brahma et al., 2021; Khatib et al., 2023). Similarly, Bear et al. (2010) stated that the mix of experiences and skills of board members is crucial not only in overseeing or evaluating management but also in assessing business strategies and their impact on CSR.

Empirical findings on the relationship between ethnicity and CSR disclosure, though limited, indicate positive results. Studies by Ujunwa et al. (2012); Khan et al. (2019); and Khan, & Saeed (2019) show that ethnic diversity in the BoD can positively relate to company performance.

Research in developing countries slightly differs from research in developed countries, as shown by varying results regarding the impact of CG attributes on CSRD Disclo-sure. For example, Indonesia has a corporate governance structure with two board levels, namely the BoC and BoD. Regarding board di-versity, various measures have been adopted by research worldwide. Alarussi et al. (2009), for example, used the Chinese ethnicity of the CEO as a benchmark. Thus, the alternative hypothesis for this variable can be formulated as:

H_3: Multiethnic board (Commissioners and/or Directors) is related to the quality of corporate social responsibility disclosure

The main issue faced is how decisions to implement Corporate Social Responsibility (CSR) and the quality of CSR disclosure are influenced by the ownership of certain owners. According to legitimacy theory, family companies view their ownership as an asset to be passed on to their descendants, not as wealth to be consumed during their lifetime (Kumala, R., & Siregar, 2021). Thus, it is suggested that family companies tend to develop socially responsible behaviors (Block & Wagner, 2010; Hajawiyah et al., 2019) to build a good reputation. Based on these considerations, the alternative hypothesis can be formulated as follows:

H_{4a}: Family ownership on the board (Commissioners) is related to the quality of corporate social responsibility disclosure.

H_{4b}: Family ownership on the board (Directors) is related to the quality of corporate social responsibility disclosure.

Haniffa and Cooke (2005) revealed that CSRD practices can be considered as policies aimed at addressing perceived legitimacy gaps between management and shareholders through the participation of non-executive directors. Independent directors are expected to respond to concerns about the company's reputation and social responsibility (Dang et al., 2021). They tend to have a greater interest in fulfilling these tasks, which in turn can support their status and reputation in society. Thus, it is assumed that independent directors may play a significant role in encouraging companies to provide CSR information in their annual reports.

H_{5a}: Board composition (Commissioners) is related to the quality of cor-porate social responsibility disclosure.

H_{5b}: Board composition (Directors) is related to the quality of corporate social responsibility disclosure.

3. Data and Methods

This research relies on secondary data sources to gather information. Secondary data will be obtained from the Annual Reports of companies collected from the Indonesia Stock Exchange (IDX) during the year 2023. The selection of the year 2023 is due to the availability of the latest annual reports, which are expected to have an improvement in the quality of CSR disclosure. The total population of publicly listed companies indexed on the IDX in 2023. However, the research sample consists of 460 companies after excluding banking and financial institutions, as well as companies with incomplete data.

The dependent variable of this paper is CSR quality. This research measures the quality of CSR disclosure based on the GRI index for the year 2020, which consists of 25 items adjusted to the Indonesian context and situation. The GRI index used by the researcher includes two parts: environmental and social. The environmental part contains 12 items that every company must follow to dis-close their CSR reports, while the social part has 13 items. The detailed items are illustrated in table 1. Specific items on the index are coded as a score of one (1) if there is disclosure information related to that specific item, and coded as a score of zero (0) if that information is not disclosed. After each item is scored, the total score for each company will be calculated to generate the CSR quality for each company. This means that the maximum score recorded for each company is

25 if they disclose all items set by the GRI guidelines in their annual reports.

Table 1 Final CSR Disclosure Index Checklist from GRI

GRI Standards	Dimension	Code	Items
Environmental Standard	Materials	Em301-1	Materials used by weight or volume
		Em301-2	Recycled input materials used
	Energy	Ee302-1	Energy consumption within the organisation
		Ee302-2	Energy consumption outside of the organisation
		Ee302-4	Reduction of energy consumption
	Water	Ew303-1	Water withdrawal by source
		Ew303-3	Water recycled and reused
	Biodiversity	Eb304-2	Significant impacts of activities, products, and services on biodiversity
		Eb304-3	Habitats protected or restored
	Effluents and Waste	Ef306-2	Waste by type and disposal method
		Ef306-3	Significant spills.
	Environmental Compliance	Ec307-1	Non-compliance with environmental laws and regulations
Social Standards	Occupational Health and Safety	So403-1	Workers' representation in formal joint management – worker health and safety committees
		So403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities
		So403-3	Workers with a high incidence or high risk of diseases related to their occupation
	Training and Education	St404-1	Average hours of training per year per employee
		St404-2	Programmes for upgrading employee skills and for transition assistance
		St404-3	Percentage of employees receiving regular performance and career development reviews
	Human Rights Assessment	Sh412-1	Operations that have been subject to human rights reviews or impact assessments
		Sh412-2	Employee training on human rights policies or procedures
	Local Communities	Sl413-1	Operations with local community engagement, impact assessments, and development programmes
	Customer Health and Safety	Sc416-1	Assessment of the health and safety impacts of product and service categories
		Sc416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
	Marketing and Labelling	Sm417-1	Requirements for product and service information and labelling
		Sm417-2	Incidents of non-compliance concerning product and service information and labelling

Source: GRI index (2016).

Meanwhile, the independent variables of this paper are corporate governance attributes, which include board political connection, proportion of women on the board, multi-ethnic board, family ownership of the board, and board composition in the 2023 annual reports of each publicly listed company indexed on the IDX. A summary of how this research defines and measures corporate governance attributes is illustrated in table 2.

In general, the organizational structure of companies in Indonesia involves a two-tier board, namely the Board of Commissioners (BoC) and the Board of Directors (BoD). The Board of Directors is responsible for managing the company and running its day-to-day business operations. On the other hand, the Board of Commissioners is responsible for over-seeing the Board of Directors in carrying out its duties and responsibilities towards the company (Makarim and Taira, 2012). Both boards serve the company directly and simultaneously.

Table 2 Summary of the Variables Measurement

No	Variables	Acronym	Operational Measurement
1.	Political Connection of the Board	PCOB	A dummy variable, coded 1 if the board has a political connection to the government and 0, otherwise
2.	Women's Proportion on the Board	WPOB	Percentage of women on a board to total board members
3.	Ethnicity of the Board	MEOBC	A dummy variable, coded 1, if the leader of the board is Chinese and 0, otherwise
4.	Family Ownership of the Board	FAOWND	A dummy variable, coded 1 if family members sit on the board, and 0, otherwise
5.	Board Composition	TCOBP	The proportion of independent board members to total board members
6.	Foreign Ownership	FOROWN	Percentage of foreign ownership

Thus, through this research, a regression model will be developed that includes both the Board of Directors and the Board of Commissioners to evaluate the impact of corporate governance on CSR quality. This regression model will involve multiple regression and will be analyzed using SPSS22 software.

〖CSRDQ〗_n= β_0+ β_1 〖profit〗_n+ β_2 〖comsize〗_n+β_3 〖cscsec〗_n+β_4 〖PCOBC〗_n+β_5 〖WPOBC〗_n+β_6 〖MEOBC〗_n+β_7 〖FAOWNC〗_n+β_8 〖TCOBC〗_n+β_9 〖PCOBD〗_n+β_10 〖WPOBD〗_n+β_11 〖MEOBD〗_n+β_12 〖FAOWND〗_n+β_13 〖TCOBD〗_n+ε_n

Where CSRDQ represents the quality of corporate social responsibility disclosure, PCOBC represents the political connections of the Board of Commissioners, WPOBC represents the proportion of women on the Board of Commissioners, MEOBC represents the multi-ethnic composition of the Board of Commissioners, FAOWNC represents the family ownership within the Board of Commissioners, TCOBC represents the composition of the Board of Commissioners, PCOBD represents the political connections of the Board of Directors, WPOBD represents the proportion of women on the Board of Directors, MEOBD represents the multi-ethnic composition of the Board of Directors, FAOWND represents the family ownership within the Board of Directors, TCOBD represents the composition of the Board of Directors, PRFTBLITY refers to the company's profitability measured by return on equity (ROE), COMSIZE refers to the company size measured by total assets, CSCSEC refers to the company's sector measured by the group of companies operating in the same segment or sharing a similar type of business, and β_0, β_1, … β_{13} refer to the constant and regression coefficients, and ε refers to the error term.

4. Result

This section discusses the multiple regression findings on the role of corporate governance in the quality of CSR disclosure in Indonesian PLCs during 2023. Table 3 summarizes the multiple regression analysis results of the relationship between corporate social responsibility disclosure (CSRD) and corporate governance attributes. The report focuses on the CSR disclosure quality (CSRDQ) model results. It is evident that the F-value of the CSRDQ model is 5.702 with a significance level of 1%, indicating that the CSRDQ model is statistically significant. Additionally, the adjusted R-squared value of the model is 11.8% (0.118), implying that the CSRDQ model explains 11.8% of the variation in CSR disclosure quality (CSRDQ). In conclusion, the model is statistically effective in explaining the remaining variation in CSR disclosure quality. Overall, these values suggest a good overall fit for the model.

According to Table 3, only two corporate governance attributes, PCOBC and TCOBD, are statistically positively related to CSRDQ. The coefficient for political connections in the Board of Commissioners (PCOBC) is 8.642 and significant at the 5% level. This indicates that the appointment of high ranking former government officials to the Board of Commissioners, who have managerial experience, leads to improvements in CSR reporting. The appointment of former government officials with political involvement creates an adverse business environment and risk, as these individuals are less likely to act to protect both financial and non-financial reporting.

5. Discusssion

The results showed that the political con-nection of the Board of Commissioners has a positive effect on the quality of corporate social responsibility disclosure. This shows that the stronger the political connection of the Board of Commissioners, the higher the corporate social responsibility disclosure made by the company. Politicians, both in the executive and legal institutions, will tend to encourage companies to disclose corporate social responsibility. This is done as a way to legitimise their existence, to garner support from stakeholders. Companies with high disclosure of social responsibility are a form that they are committed to improving social welfare. The findings of this study strengthen the research conducted by Bianchi et al. (2019); Saraswati et al. (2020); and Sucahyati et al. (2022) where the political connections of the board of commissioners will encourage companies to disclose higher social responsibility.

Table 3. Summary of the multiple regression analysis for corporate social responsibility disclosure quality (CSRDQ)

	CSRD Quality GRI Index			
Variable	β	Std. Error	t	sig
PROFIT	0.024	0.017	1.402	0.161
COMSIZE	14.830***	2.564	5.785	0.000
CSCSEC	-0.108	0.659	-0.163	0.870
PCOBC	8.642**	3.867	2.235	0.026
WPOBC	-0.125	0.084	-1.477	0.140
MEOBC (C)	3.027	2.124	1.425	0.155
FAOWNC	-1.769	3.665	-0.483	0.630
TCOBC	0.151	0.556	0.271	0.786
PCOBD	2.800	4.091	0.685	0.494
WPOBD	-0.090	0.081	-1.121	0.263
MEOBD (C)	-2.386	2.143	-1.114	0.266
FAOWND	0.953	3.555	0.268	0.789
TCOBD	2.300*	1.350	1.704	0.089

F = 5.702***
R^2 = 0.143
Adjusted R^2 = 0.118
N = 460
*** is 1% significance level, ** is 5% significance level and * is 10% significance level

The results showed that the proportion of women on the board of commissioners had no effect on the quality of corporate social responsibility disclosure by the company. This shows that the board of commissioners, both women and men, are professional in accordance with their functions as the company's board of commissioners. Quality of corporate social responsibility disclosure is not influenced by the proportion of women and men on the board of commissioners.

The results of this study do not weaken the research conducted by Anggraeni & Djakman (2017); (Tasya & Cheisviyanny, 2019). However, this study strengthens the findings of research conducted by Solikhah & Winarsih (2016) where the proportion of women on the board of commissioners has no effect on the quality of corporate social responsibility disclosure.

The results showed that the multi-ethnic composition of the Board of Commissioners had no effect on the quality of corporate social responsibility disclosure. This indicates that ethnic diversity in the board of commissioners does not affect the quality of social responsibility disclosure. The board of commissioners functions as it should, they tend to be professional as a board of commissioners. The multiethnic composition of the Board of Commissioners in this study used dummy variables, so it did not see how religious and ethnic origin. The findings of this study weaken the research of Ujunwa et al. (2012); Khan et al. (2019); and Khan, & Saeed (2019).

The results showed that family ownership in the board of commissioners and directors has no effect on the quality of corporate social responsibility disclosure. The results of this study indicate that the quality of corporate social responsibility disclosure has become the company's awareness in fulfilling applicable regulations. So that family ownership in a company will not have an impact on the quality of corporate social responsibility disclosures. The results of this study are not in line with the findings of research (Cabeza-García et al., 2017; Nekhili et al., 2017; and Bansal et al., 2018).

The results showed that the composition of the board of commissioners and directors has no effect on corporate social responsibility disclosure. Neither the composition of the board of commissioners nor the board of directors has an effect on corporate social responsibility disclosure. The board of commissioners has a function to supervise management. The preparation of financial reports, especially those related to corporate social responsibility, has gone well. So that the composition of the board of commissioners has no impact on the quality of the report, one of which is the disclosure of corporate social responsibility. The results of this study do not support the research of Priantana & Yustian (2011).

6. Conclusion and Suggestion

Conclusion

Based on the results of the analysis that has been done, it shows that the political connection of the Board of Commissioners has a positive effect on the quality of corporate social responsibility disclosure. While the proportion of women in the board of commissioners, the multi-ethnic composition of the board of commissioners, family ownership and, the composition of the board of commissioners and directors do not affect the quality of corporate social responsibility disclosure has no effect on the quality of corporate social responsibility disclosure.

Suggestion

This research also recommends extending the study period for future research, aiming to broaden the scope and make comparisons with a larger dataset to capture more varied findings.

References

Agus, A. (2020). Practicing of Corporate Social Responsibility for Community Empowerment: A Case of a Mining Company in Indonesia. *Randwick International of Social Science Journal*, *1*(3), 608–618. https://doi.org/10.47175/rissj.v1i3.115

Agyemang-Mintah, P., & Schadewitz, H. (2019). Gender diversity and firm value: evidence from UK financial institutions. *International Journal of Accounting and Information Management*, *27*(1), 2–26. https://doi.org/10.1108/IJAIM-06-2017-0073

Ahmed, F., & Hussainey, K. (2023). A bibliometric analysis of political connections literature. *Review of Accounting and Finance*, *22*(2), 206–226. https://doi.org/10.1108/RAF-11-2022-0306

Al-Gamrh, B., Al-Dhamari, R., Jalan, A., & Afshar Jahanshahi, A. (2020). The impact of board independence and foreign ownership on financial and social performance of firms: evidence from the UAE. *Journal of Applied Accounting Research*, *21*(2), 201–229. https://doi.org/10.1108/JAAR-09-2018-0147

Al-Shaer, H., Kuzey, C., Uyar, A., & Karaman, A. S. (2024). Corporate strategy, board composition, and firm value. *International Journal of Finance and Economics*, *29*(3), 3177–3202. https://doi.org/10.1002/ijfe.2827

Alatawi, I. A., Ntim, C. G., Zras, A., & Elmagrhi, M. H. (2023). CSR, financial and non-financial performance in the tourism sector: A systematic literature review and future research agenda. *International Review of Financial Analysis*, *89*(March 2022), 102734. https://doi.org/10.1016/j.irfa.2023.102734

Ali, W., Bekiros, S., Hussain, N., Khan, S. A., & Nguyen, D. K. (2024). Determinants and consequences of corporate social responsibility disclosure: A survey of extant literature. *Journal of Economic Surveys*, *38*(3), 793–822. https://doi.org/10.1111/joes.12556

Ali, W., Wilson, J., & Husnain, M. (2022). Determinants/Motivations of Corporate Social Responsibility Disclosure in Developing Economies: A Survey of the Extant Literature. *Sustainability (Switzerland)*, *14*(6). https://doi.org/10.3390/su14063474

Alkaraan, F., Albitar, K., Hussainey, K., & Venkatesh, V. G. (2022). Corporate transformation toward Industry 4.0 and financial performance: The influence of environmental, social, and governance (ESG). *Technological Forecasting and Social Change*, *175*, 0–41. https://doi.org/10.1016/j.techfore.2021.121423

Alshirah, M. H., Alfawareh, F. S., Alshira'h, A. F., Al-eitan, G., Khalid, T. B., & Alsqour,

M. (2022). Do Corporate Governance and Gender Diversity Matter in Firm. *Economies*, *10*(84), 1–21.

Ameraldo, F., & Ghazali, N. A. M. (2021). Factors influencing the extent and quality of corporate social responsibility disclosure in indonesian shari'ah compliant companies. *International Journal of Business and Society*, *22*(2), 960–984. https://doi.org/10.33736/ijbs.3775.2021

Anggraeni, D. Y., & Djakman, C. D. (2017). Slack Resources, Feminisme Dewan, Dan Kualitas Pengungkapan Tanggung Jawab Sosial Perusahaan. *Jurnal Akuntansi Dan Keuangan Indonesia*, *14*(1), 94–118. https://doi.org/10.21002/jaki.2017.06

Arvanitis, S. E., Varouchas, E. G., & Agiomirgianakis, G. M. (2022). Does Board Gender Diversity Really Improve Firm Performance? Evidence from Greek Listed Firms. *Journal of Risk and Financial Management*, *15*(7). https://doi.org/10.3390/jrfm15070306

Ayuningtyas, D (2019). Ternyata Asing Kuasai 51% Kepemilikan Saham di Bursa RI. Retrieved from: *https://www.cnbcindonesia.com/market/20190927150457-17-102719/ternyata-asing-kuasai-51-kepemilikan-saham-di-bursa-ri.*

Bansal, S., Lopez-Perez, M. V., & Rodriguez-Ariza, L. (2018). Board independence and corporate social responsibility disclosure: The mediating role of the presence of family ownership. *Administrative Sciences*, *8*(3). https://doi.org/10.3390/admsci8030033

Bayrakdaroglu, A., Ersoy, E., & Citak, L. (2012). Is there a relationship between corporate governance and value-based financial performance measures? A study of Turkey as an emerging market. *Asia-Pacific Journal of Financial Studies*, *41*(2), 224–239. https://doi.org/10.1111/j.2041-6156.2012.01071.x

Bear, S., Rahman, N., & Post, C. (2010). The impact of board diversity and gender composition on corporate social responsibility and firm reputation. *Journal of business Ethics*, 97(2), 207-221

Ben Fatma, H., & Chouaibi, J. (2023). Corporate governance and firm value: a study on European financial institutions. *International Journal of Productivity and Performance Management*, *72*(5), 1392–1418. https://doi.org/10.1108/IJPPM-05-2021-0306

Bernardi, R. A. (2010). Women Directors and Corporate Social Responsibility. *Electronic Journal of Business Ethics and Organization Studies Women*, *15*(2), 15–21.

Bianchi, M. T., Monteiro, P., Azevedo, G., Oliveira, J., Viana, R. C., & Branco, M. (2019). Political connections and corporatesocial responsibility reporting in Portugal. *Journal of Financial Crime*, *26*(4), 1203–1215.

Bhimani, A., & Soonawalla, K. (2005). From conformance to performance: The corporate responsibilities continuum. *Journal of Accounting and Public Policy*, 24(3), 165-174.

Block, J. H., & Wagner, M. (2010). Corporate social responsibility of large family and founder firms. *Available at SSRN* 1625674.

Boshnak, H. A., Alsharif, M., & Alharthi, M. (2023). Corporate governance mechanisms and firm performance in Saudi Arabia before and during the COVID-19 outbreak. *Cogent Business and Management*, *10*(1). https://doi.org/10.1080/23311975.2023.2195990

Brahma, S., Nwafor, C., & Boateng, A. (2021). Board gender diversity and firm performance: The UK evidence. *International Journal of Finance and Economics*, *26*(4), 5704–5719. https://doi.org/10.1002/ijfe.2089

Cabeza-García, L., Sacristán-Navarro, M., & Gómez-Ansón, S. (2017). Family involvement and corporate social responsibility disclosure. *Journal of Family Business Strategy*, *8*(2), 109–122. https://doi.org/10.1016/j.jfbs.2017.04.002

Carroll, A. B. (1991). La Pirámide de la Responsabilidad Social Corporativa: en dirección a la gestión moral de los grupos de interés de la organización. *Bussines Horizons. July-August*, *22*, 39–48.

Carroll, A. B. (2021). Corporate social responsibility (CSR) and the COVID-19 pandemic: organizational and managerial implications. *Journal of Strategy and Management*, *14*(3), 315–330. https://doi.org/10.1108/JSMA-07-2021-

0145

Carter, D. A., Simkins, B. J., & Simpson, W. G. (2005). Corporate Governance, Board Diversity, and Firm Performance. *SSRN Electronic Journal*, *March*. https://doi.org/10.2139/ssrn.304499

Chin, Y. S., Ganesan, Y., Allah Pitchay, A., Haron, H., & Hendayani, R. (2019). Corporate Governance and Firm Value: The Moderating Effect of Board Gender Diversity. *Journal of Entrepreneurship, Business and Economics*, *7*(2s), 43–77. www.scientificia.com

Cook, A., & Glass, C. (2018). Women on corporate boards: Do they advance corporate social responsibility?. *Human relations*, *71*(7), 897-924

Dang, R., Houanti, L. H., Lê, N. T., & Sahut, J. M. (2021). Does Board Composition Influence CSR Disclosure? Evidence from Dynamic Panel Analysis. *Management international*, *25*(2), 52-69.

ElAlfy, A., Palaschuk, N., El-Bassiouny, D., Wilson, J., & Weber, O. (2020). Scoping the evolution of corporate social responsibility (CSR) research in the sustainable development goals (SDGS) era. *Sustainability (Switzerland)*, *12*(14). https://doi.org/10.3390/su12145544

Elkington, J. (1998). Partnerships from Cannibals with Forks: The Triple iottom line of 2 1 st-Century Business. *Environmental Quality Management*, *8*(1), 37–51.

Ersoy, E., Swiecka, B., Grima, S., Özen, E., & Romanova, I. (2022). The Impact of ESG Scores on Bank Market Value? Evidence from the U.S. Banking Industry. *Sustainability (Switzerland)*, *14*(15), 1–14. https://doi.org/10.3390/su14159527

Esa, E., & Zahari, A. R. (2016). Corporate social responsibility: Ownership structures, board characteristics & the mediating role of board compensation. *Procedia Economics and Finance*, 35, 35-43.

Fahad, P., & Nidheesh, K. (2020). Determinants of CSR disclosure: an evidence from India. *Journal of Indian Business Research*, *13*(1), 110–133. https://doi.org/10.1108/JIBR-06-2018-0171

Feng, P., & Ngai, C. S. bik. (2020). Doing more on the corporate sustainability front: A longitudinal analysis of csr reporting of global fashion companies. *Sustainability (Switzerland)*, *12*(6). https://doi.org/10.3390/su12062477

Gaio, C., & Gonçalves, T. C. (2022). Gender Diversity on the Board and Firms' Corporate Social Responsibility. *International Journal of Financial Studies*, *10*(1). https://doi.org/10.3390/ijfs10010015

Ghaleb, B. A. A., Qaderi, S. A., Almashaqbeh, A., & Qasem, A. (2021). Corporate social responsibility, board gender diversity and real earnings management: The case of Jordan. *Cogent Business and Management*, *8*(1). https://doi.org/10.1080/23311975.2021.1883222

Giannarakis, G. (2014). Corporate governance and financial characteristic effects on the extent of corporate social responsibility disclosure. *Social Responsibility Journal*, *10*(4), 569–590. https://doi.org/10.1108/SRJ-02-2013-0008

Hajawiyah, A., Adhariani, D., & Djakman, C. (2019). The sequential effect of CSR and COE: family ownership moderation. *Social Responsibility Journal*, *15*(7), 939-954.

Haniffa, R. M., & Cooke, T. E. (2005). The impact of culture and governance on corporate social reporting. *Journal of accounting and public policy, 24*(5), 391-430.

Hariram, N. P., Mekha, K. B., Suganthan, V., & Sudhakar, K. (2023). Sustainalism: An Integrated Socio-Economic-Environmental Model to Address Sustainable Development and Sustainability. *Sustainability (Switzerland)*, *15*(13). https://doi.org/10.3390/su151310682

Horng, J. S., Hsu, H., & Tsai, C. Y. (2018). An assessment model of corporate social responsibility practice in the tourism industry. *Journal of Sustainable Tourism*, *26*(7), 1085–1104. https://doi.org/10.1080/09669582.2017.1388384

Hyun, E., Yang, D., Jung, H., & Hong, K. (2016). Women on boards and corporate social responsibility. *Sustainability (Switzerland)*, *8*(4), 1–26.

https://doi.org/10.3390/su8040300

Kakabadse, N. K., Figueira, C., Nicolopoulou, K., Hong Yang, J., Kakabadse, A. P., & Özbilgin, M. F. (2015). Gender diversity and board performance: Women's experiences and perspectives. *Human Resource Management*, *54*(2), 265–281. https://doi.org/10.1002/hrm.21694

Khan, A., Muttakin, M. B., & Siddiqui, J. (2012). Corporate Governance and Corporate Social Responsibility Disclosures: Evidence from an Emerging Economy. *SSRN Electronic Journal*, *January 2017*. https://doi.org/10.2139/ssrn.2050630

Khan, I., Khan, I., & Saeed, B. bin. (2019). *Does board diversity affect quality of corporate social responsibility disclosure ? Evidence from Pakistan*. *February*, 1–11. https://doi.org/10.1002/csr.1753

Khan, I., Khan, I., & Senturk, I. (2019). Board diversity and quality of CSR disclosure: evidence from Pakistan. *Corporate Governance (Bingley)*, *19*(6), 1187–1203. https://doi.org/10.1108/CG-12-2018-0371

Khanthavit, A. (2020). Foreign investors' abnormal trading behavior in the time of COVID-19. *Journal of Asian Finance, Economics and Business*, *7*(9), 63–74. https://doi.org/10.13106/JAFEB.2020.VOL7.NO9.063

Khatib, S. F. A., Abdullah, D. F., Elamer, A., Yahaya, I. S., & Owusu, A. (2023). Global trends in board diversity research: a bibliometric view. *Meditari Accountancy Research*, *31*(2), 441–469. https://doi.org/10.1108/MEDAR-02-2021-1194

Kirby, D. A., El-Kaffass, I., & Healey-Benson, F. (2022). Harmonious entrepreneurship: evolution from wealth creation to sustainable development. *Journal of Management History*, *28*(4), 514–529. https://doi.org/10.1108/JMH-11-2021-0060

Kumala, R., & Siregar, S. V. (2021). Corporate social responsibility, family ownership and earnings management: the case of Indonesia. *Social Responsibility Journal*, *17*(1), 69-86

Kurniawan, Y. (2018). Indonesia Most Trusted Company dan Nilai Perusahaan. *AFRE (Accounting and Financial Review)*, *1*(1), 1–8. https://doi.org/10.26905/afr.v1i1.2267

Liao, L., Luo, L., & Tang, Q. (2015). Gender diversity, board independence, environmental committee and greenhouse gas disclosure. *The British Accounting Review*, 47(4), 409-424.

Lubis, H., Pratama, K., Pratama, I., & Pratami, A. (2019). A systematic review of corporate social responsibility disclosure. *International Journal of Innovation, Creativity and Change*, *6*(9), 415–428.

Makarim & Taira, S. (2012). New Regulation on Environmental Licenses in Indonesia. Retrieved

Martinez-Jimenez, R., Hernández-Ortiz, M. J., & Cabrera Fernández, A. I. (2020). Gender diversity influence on board effectiveness and business performance. *Corporate Governance (Bingley)*, *20*(2), 307–323. https://doi.org/10.1108/CG-07-2019-0206

Mohamed, M., & Keat, S. (2013). *Empowering society for better Corporate Social Responsibility (CSR): The case of Malaysia Author Griffith Research Online*.

Moravcikova, K., Stefanikova, Ľ., & Rypakova, M. (2015). CSR Reporting as an Important Tool of CSR Communication. *Procedia Economics and Finance*, *26*(15), 332–338. https://doi.org/10.1016/s2212-5671(15)00861-8

Mrabure, K. O., & Abhulimhen-Iyoha, A. (2020). Corporate Governance and Protection of Stakeholders Rights and Interests. *Beijing Law Review*, *11*(01), 292–308. https://doi.org/10.4236/blr.2020.111020

Mustofa, R., Respati, H., & Natsir, M. (2021). The Influence of Corporate Social Responsibility Goal, Corporate Social Issues, Corporate Relation Programs on Community Wellness. *International Journal of Innovative Science and Research Technology*, *6*(2). https://doi.org/10.1108/S1574-076520210000024004

Muttakin, M. B., Khan, A., & Subramaniam, N. (2015). *Firm characteristics, board diversity and corporate social responsibility Evidence from Bangladesh*.

Namazi, M., & Namazi, N.-R. (2016). Conceptual analysis of moderator and mediator variables in business research.

Procedia Economics and Finance, 36(16), 540–554. https://doi.org/10.1016/S2212-5671(16)30064-8

Nekhili, M., Nagati, H., Chtioui, T., & Rebolledo, C. (2017). Corporate social responsibility disclosure and market value: Family versus nonfamily firms. *Journal of Business Research*, *77*(March), 41–52. https://doi.org/10.1016/j.jbusres.2017.04.001

Osamwonyi, I. O., & Tafamel, E. A. (2013). Firm performance and board political connection : evidence from Nigeria. *European Journal of Business and Management*, *5*(26), 83–96.

Prabawani, B., Hadi, S. P., Wahyudi, F. E., & Ainuddin, I. (2023). Drivers and initial pattern for corporate social innovation: From responsibility to sustainability. *Heliyon*, *9*(6), e16175. https://doi.org/10.1016/j.heliyon.2023.e16175

Pratama, I., Che-Adam, N., Kamardin. N., (2020). Corporate Governance and Corporate Social Responsibility Disclosure Quality in Indonesian Companies. *International Journal of Innovation, Creativity and Change*, Vol 13(4), 442-463.

Pratama, I., Che-Adam, N., Kamardin. N. (2019). Corporate social responsibility disclosure (CSRD) quality in Indonesian public listed companies. *Polish Journal of Management Studies*, 20 (1), 359-371.

Pulino, S. C., Ciaburri, M., Magnanelli, B. S., & Nasta, L. (2022). Does ESG Disclosure Influence Firm Performance? *Sustainability (Switzerland)*, *14*(13), 1–18. https://doi.org/10.3390/su14137595

Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2020). Corporate governance, corporate profitability toward corporate social responsibility disclosure and corporate value (comparative study in Indonesia, China and India stock exchange in 2013-2016). *Social Responsibility Journal*, *16*(7), 983–999. https://doi.org/10.1108/SRJ-08-2017-0160

Rahman, I. M. A., & Ismail, K. N. I. K. (2016). The effects of political connection on corporate social responsibility disclosure-evidence from listed companies in Malaysia. *International Journal of Business and Management Invention ISSN*, *5*(2), 16–21. www.ijbmi.org

Rau, P., & Yu, T. (2022). A survey on ESG: Investors, Institutions, and Firms. *China Finance Review International*.

Raynard, Peter. Forstater, Maya. (2002). Corporate social responsibility. Implications for Small and Medium Enterprises in developing countries. UNIDO.

Rouf, M. A. (2022). The Relationship Between Corporate Governance and Value of the Firm in Developing Countries: Evidence from Bangladesh. *Thhe Internastional Jpurnal of Applied Economics and Finance*, *5*(3), 1–17.

Rusmanto, T., & Williams, C. (2015). Compliance Evaluation on CSR Activities Disclosure in Indonesian Publicly Listed Companies. *Procedia-Social and Behavioral Sciences*, 172, 150-156.

Rustam, A., Wang, Y., & Zameer, H. (2019). Does foreign ownership affect corporate sustainability disclosure in Pakistan? A sequential mixed methods approach. *Environmental Science and Pollution Research*, 26(30), 31178–31197. https://doi.org/10.1007/s11356-019-06250-3

Saraswati, E., Sagitaputri, A., & Rahadian, Y. (2020). Political Connections and CSR Disclosures in Indonesia. *Journal of Asian Finance, Economics and Business*, *7*(11), 1097–1104. https://doi.org/10.13106/jafeb.2020.vol7.no11.1097

Schwartz, M. S., & Kay, A. (2023). The COVID-19 global crisis and corporate social responsibility. In *Asian Journal of Business Ethics* (Vol. 12, Issue 1, pp. 101–124). https://doi.org/10.1007/s13520-022-00165-y

Selin, M., Joni, J., & Ahmed, K. (2023). Political affiliation types and corporate social responsibility (CSR) commitment: Evidence from Indonesia. *Journal of Accounting & Organizational Change*, *19*(1), 24-39.

Shahzad, M., Qu, Y., Javed, S. A., Zafar, A. U., & Rehman, S. U. (2020). Relation of environment sustainability to CSR and green innovation: A case of Pakistani manufacturing industry. *Journal of Cleaner Production*, *253*. https://doi.org/10.1016/j.jclepro.2019.119938

Sharma, A., & Singh, G. (2022). Conceptualizing corporate social responsibility practice: an integration of obligation and opportunity. *Social Responsibility Journal*, *18*(8), 1393–1408. https://doi.org/10.1108/SRJ-08-2020-0325

Solikhah, B., & Winarsih, A. M. (2016). Pengaruh Liputan Media, Kepekaan Industri, Dan Struktur Tata Kelola Perusahaan Terhadap Kualitas Pengungkapan Lingkungan. *Jurnal Akuntansi Dan Keuangan Indonesia*, *13*(1), 1–22. https://doi.org/10.21002/jaki.2016.01

Sucahyati, D., Harymawan, I., & Nasih, M. (2022). Corporate Social Responsibility (CSR) Disclosure on Politically Connected-Family Firms. *Journal of Accounting and Investment*, *23*(2), 281–309. https://doi.org/10.18196/jai.v23i2.14865

Sulhan, M., & Pratomo, A. S. (2020). Analysis of The Impact of Financial Performance on Company Value with Corporate Social Responsibility and Good Corporate Governance as Moderating Variables. *MEC-J (Management and Economics Journal)*, *4*(2), 163–174.

Syamni, G., Azis, N., Musnadi, S., & Faisal, F. (2021). The Momentum Strategy of Small Foreign Investors in the Indonesia Stock Exchange. *Journal of Asian Finance, Economics and Business*, *8*(3), 361–372. https://doi.org/10.13106/jafeb.2021.vol8.no3.0361

Tambunan, S., Siregar, A., Wijaya, M., & Pratama, I. (2022). The Impact of Corporate Governance on The Integrated Reporting Quality of Indonesian Listed Firms: Moderating Role of CSR *Disclosure and Corporate Sustainability. International Journal of Economics and Finance Studies*, 14(4), 252-274.

Ujunwa, A., Okoyeuzu, C., & Nwakoby, I. (2012). Corporate board diversity and firm performance: Evidence from Nigeria. *Revista de Management Comparat International,* 13(4), 605.

Tasya, N. D., & Cheisviyanny, C. (2019). Pengaruh Slack Resources dan Gender Dewan Terhadap Kualitas Pengungkapan Tanggung Jawab Sosial Perusahaan (Studi Empiris Perusahaan yang Menerbitkan Laporan Keberlanjutandan Terdaftar di Bursa Efek Indonesia Tahun 2015-2017. *Jurnal Eksplorasi Akuntansi*, *1*(3), 1033–1050. http://jea.ppj.unp.ac.id/index.php/jea/issue/view/9

Tjandrasa, B. B. (2021). Determinants of Political Stability to Support Foreign Investment in Indonesia. *Petra International Journal of Business Studies*, *4*(2), 97–108. https://doi.org/10.9744/ijbs.4.2.97-108

van Zanten, J. A., & van Tulder, R. (2021). Improving companies' impacts on sustainable development: A nexus approach to the SDGS. *Business Strategy and the Environment*, *30*(8), 3703–3720. https://doi.org/10.1002/bse.2835

Vartiak, L. (2016). CSR reporting of companies on a global scale. *Procedia Economics and Finance*, *39*, 176-183.

Wang, Y. H. (2020). Does board gender diversity bring better financial and governance performances? An empirical investigation of cases in Taiwan. *Sustainability (Switzerland)*, *12*(8). https://doi.org/10.3390/SU12083205

Waagstein, P. R. (2011). The mandatory corporate social responsibility in Indonesia: Problems and implications. *Journal of business ethics*, 98(3), 455-466

Wirba, A. V. (2023). Corporate Social Responsibility (CSR): The Role of Government in promoting CSR. *Journal of the Knowledge Economy*, 7428–7454. https://doi.org/10.1007/s13132-023-01185-0

Wu, X., & Hąbek, P. (2021). Trends in corporate social responsibility reporting. The case of chinese listed companies. *Sustainability (Switzerland)*, *13*(15). https://doi.org/10.3390/su13158640

Zaman, R., Jain, T., Samara, G., & Jamali, D. (2022). Corporate Governance Meets Corporate Social Responsibility: Mapping the Interface. *Business and Society*, *61*(3), 690–752. https://doi.org/10.1177/0007650320973415

Zhao, L., Yang, M. M., Wang, Z., & Michelson,

G. (2023). Trends in the Dynamic Evolution of Corporate Social Responsibility and Leadership: A Literature Review and Bibliometric Analysis. *Journal of Business Ethics*, *182*(1), 135–157. https://doi.org/10.1007/s10551-022-05035-y