

The Influence of Corporate Governance on Corporate Social Responsibility Disclosure: Empirical Evidence from Indonesian Listed Companies 2021–2023

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Research aims: This study aims to determine the effect of corporate governance on corporate social responsibility in companies.

Design/Methodology/Approach: This study uses secondary data, specifically annual reports and sustainability reports of companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2023 period. A total of 718 companies that meet the criteria were selected for analysis.

Research findings: This study found that board independence, women on the board, and audit committee independence had no effect on corporate social responsibility disclosure. Meanwhile, board size and ownership concentration had a significant positive effect on corporate social responsibility disclosure.

Theoretical contribution/Originality: This study fills the literature gap on the influence of board of commissioners' characteristics on CSR disclosure in Indonesia and examines the differences in findings from previous studies.

Practitioner/Policy implication: This research provides guidance for companies in improving governance and supports regulators in strengthening CSR regulations.

Keywords: Corporate Governance; Corporate Social Responsibility

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Introduction

Corporate social responsibility has been an important and evolving topic since the 1950s. According to Emperatriz III (2016), the definition of corporate social responsibility (CSR) refers to the economic, legal, ethical, and discretionary expectations stakeholders have of a business. Climate change and environmental issues can pose challenges for companies to engage in environmental and social aspects through corporate social responsibility. Companies are required to participate in environmental and social activities to achieve societal sustainability (Ebaid, 2022).

In Indonesia, publicly listed companies have been required to prepare sustainability reports since 2021. However, various environmental and social issues persist, one example being the pollution and environmental damage caused by tailings waste from operational activities conducted by PT. Freeport Indonesia in Mimika, Central Papua, in 2023 (Rini, 2023). Additionally, the Indonesian government has issued regulations to enhance corporate involvement in CSR practices and disclosures, as stipulated in Government Regulation of the Republic of Indonesia Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies. Companies are not only required to achieve strong financial performance but must also consider non-financial aspects that can affect their reputation and business sustainability. Weak corporate social and environmental behavior negatively impacts the profitability of companies (Al Maeeni et al., 2022).

Corporate governance is the process through which a company is directed to create an environment of transparency, accountability, and trust (Al Maeeni et al., 2022). If a company takes the time to invest in and improve corporate governance, it will benefit the company's internal operations and support the development of corporate social responsibility practices (Aboud & Yang, 2022). Previous studies have examined issues related to the characteristics of the board of commissioners that can enhance the effectiveness of its monitoring role (Ebaid, 2022).

The objective of this research is to analyze the influence of board of commissioners' characteristics, particularly regarding board independence, board size, women on the board, audit committee independence, and ownership concentration, on CSR disclosure in companies listed on the Indonesia Stock Exchange (IDX) for the years 2021–2023. Better corporate governance, which has clear regulations and respects the opinions of all stakeholders, can support engagement in environmental and social activities (Pinheiro et al., 2023). The author has analyzed and found that based on previous research, board independence has a positive influence on CSR disclosure (Ebaid, 2022; Pinheiro et al., 2023). Previous studies have shown that board size has an influence on CSR disclosure (Ananzeh, 2022; Ebaid, 2022). Women on the board have a positive influence on CSR disclosure (Hassan et al., 2023; Orazalin, 2019). Ownership concentration has a positive impact on CSR (Aboud & Yang, 2022; Said et al., 2009). Audit committee independence has a positive effect on CSR (Pinheiro et al., 2023; Said et al., 2009).

However, the researcher also found contrasting results, where corporate governance practices did not have an effect on CSR disclosure (Rashid, 2018). Board independence had no effect on CSR disclosure (Orazalin, 2019; Said et al., 2009). Board size had no effect on CSR disclosure (Pinheiro et al., 2023; Said et al., 2009). Woman on board negatively affected CSR disclosure (Ananzeh, 2022; Ebaid, 2022). Audit committee independence was found to have a negative effect on CSR disclosure in studies (Bataineh et al., 2023; Paramita & Marsono, 2014). Ownership concentration had a negative impact on CSR disclosure (Adel et al., 2019; Ananzeh, 2022). Therefore, this study is conducted to examine whether corporate governance has an impact on CSR disclosure in Indonesia.

This research contributes to enriching the literature on the influence of corporate governance on CSR disclosure, particularly in the context of Indonesia as a developing country, by providing a new perspective through the analysis of board characteristics such as board independence, board size, women on the board, audit committee independence, and ownership concentration, which have been rarely studied comprehensively in recent periods. It is also expected to demonstrate a significant relationship between board characteristics and CSR disclosure, serving as a reference for companies in formulating governance strategies to enhance CSR transparency, while also assisting regulators like Financial Services Authority (FSA) and IDX in improving CSR policies that support corporate sustainability.

Literature Review and Hypotheses Development

Corporate Social Responsibility

CSR according to the United Nations Industrial Development Organization (UNIDO) is a management concept where companies integrate their concern for social and environmental issues into their business operations. Emperatriz III (2016) defines CSR as the economic, legal, ethical, and philanthropic expectations that stakeholders have towards the business in question. According to Carroll (1991) there are four components of CSR: economic responsibilities, legal responsibilities, ethical responsibilities, and philanthropic responsibilities. According to Kim (2022), most businesses aim to maximize profits, but business leaders must realize that they also have responsibilities beyond profit maximization. Companies also have social responsibilities, not only towards the company itself but also towards the entire community. CSR disclosure is a means to communicate information about the

company's social responsibility activities to its stakeholders (Ebaid, 2022). Reporting on sustainability performance will help companies improve transparency, image, and reputation, achieve competitive advantages, and motivate employees (Bataineh et al., 2023).

Corporate Governance

Corporate governance according to the World Bank, as cited by the Financial Services Authority (FSA) in its publication (Kurniati, 2019), is defined as A combination of laws, regulations, and practices voluntarily carried out by the private sector that enables companies to attract financial capital and human resources, perform efficiently, and, through all these, sustainably generate long-term economic values for their shareholders while simultaneously considering the interests of stakeholders and society as a whole. Meanwhile, the definition of corporate governance according to the Organization for Economic Co-operation and Development (OECD), is the structure and system by which the board of commissioners, shareholders, stakeholders, and company management direct and establish the company's objectives, determine the means to achieve those objectives, and monitor performance. According to the National Committee on Corporate Governance Policy (NCCGP), there are five principles forming the framework of corporate governance: transparency, accountability, responsibility, independence, and fairness.

Agency Theory

According to Jensen and Meckling (2019), agency theory is defined as a contract in which one or more individuals (principals) engage another individual (agent) to perform a service on their behalf, which involves delegating decision-making authority to the agent. Agency theory serves as a mechanism to address agency problems caused by conflicts of interest between principals and agents due to the separation of ownership and control (Abang'a & Tauringana, 2024). This theory is the most dominant one used to explain the relationship between corporate governance, board attributes, and disclosure (Jensen & Meckling, 2019). The relationship between owners and managers constitutes a principal-agent relationship, which can lead to conflicts of interest (Ebaid, 2022). Conflicts of interest arise when managers operate the company's business on behalf of the owners but act to maximize their personal gains instead of benefits for shareholders. Such irresponsible managerial behavior has highlighted the importance of corporate governance as a mechanism to protect shareholders (Zaid et al., 2019). The board of commissioners serves as the primary control mechanism for companies to reduce information asymmetry by ensuring timely disclosure of information (Abang'a & Tauringana, 2024).

Stakeholder Theory

Stakeholder theory, according to Freeman and Phillips (2002), states that the board of commissioners has a supervisory role to ensure a balance of interests among stakeholders (Abang'a & Tauringana, 2024). Stakeholder theory defines stakeholders as any individual or community that influences the achievement of an organization (Al Maeeni et al., 2022). The principles of stakeholder theory proposed by Freeman and Phillips (2002) assert that a company's goals and objectives can be achieved by balancing the conflicts of interest and demands of stakeholders, including employees, customers, suppliers, auditors, shareholders, and the community (Orazalin, 2019). This stakeholder theory is essential for businesses to support stakeholder engagement in maintaining the company, particularly through CSR disclosure (Adel et al., 2019). Stakeholder theory suggests two approaches that can be applied in CSR: the normative approach and the instrumental approach. The normative approach relates to the representation of stakeholders, such as independent board commissioners. Meanwhile, the instrumental approach relates to board diversity, such as gender (Abang'a & Tauringana, 2024).

Feminist Theory

Feminist theory, according to Chinn and Wheeler (1985), views feminism as a worldview that values women and opposes gender injustice. According to Hannam (1992) defines feminism as a recognition

of the inequality of power between the two sexes, where women's roles are subordinate to men's. This aims to achieve gender equality and eliminate discrimination. Miller (2012) argues that women tend to focus on the needs of others, avoid conflict, and maintain relationships. According to Gilligan (2018), women are inclined to consider the impact of their actions on others and prioritize relationships in moral decision-making. This illustrates that women tend to exhibit empathy and concern for the well-being of others. Such attitudes reflect women's potential to support social and environmental activities that balance human needs with the sustainability of ecosystems.

Hypotheses Development

The Influence of Board Independence on CSR Disclosure

The research by Pinheiro et al. (2023) states that board independence has a positive relationship with CSR. Companies with greater board independence tend to be more engaged in social issues. Similarly, the findings of Ebaid (2022), reveal that board independence also has a positive effect on CSR disclosure. The greater the board independence, the more effective its supervisory role, which leads to higher CSR involvement. The research by Garas and ElMassah (2018) also found that board independence positively influences CSR disclosure. When board independence increases, CSR disclosure also rises. This is because independent board members are more willing to meet the demands of all stakeholders, thereby enhancing transparency and disclosure. Based on the discussion previously, the following research hypothesis is proposed:

H₁ : *Board independence has a positive effect on CSR disclosure.*

The Influence of Board Size on CSR Disclosure

The research by Zaid et al. (2019) states that there is a positive relationship between board size and CSR disclosure. This means that the larger the board size, the higher the level of CSR disclosure produced. The findings of (Abu Qa'dan & Suwaidan, 2019), also indicate that board size has a positive relationship with CSR disclosure. A larger board of commissioners tends to lead to a higher level of CSR disclosure. This may be because a larger board of commissioners tends to have more extensive experience. Similarly, the research by Ananzeh (2022) also found that board size has a positive effect on CSR disclosure. found that board size positively influences CSR disclosure. This is because a larger board of commissioners possesses diverse expertise and backgrounds, which play a positive role in reducing agency conflicts, thereby enabling more effective communication and higher transparency in the form of additional CSR disclosure information. Based on the discussion previously, the following research hypothesis is proposed:

H₂ : *Board size has a positive effect on CSR disclosure.*

The Influence of Women on Board on CSR Disclosure

The research by Adel et al. (2019) Indicates that female board of commissioners have a positive impact on CSR disclosure. This indicates that female board members positively influence CSR disclosure. This suggests that women on boards can provide added value and independence, which enhances CSR disclosure (Adel et al., 2019; Francoeur et al., 2008). The research by Bataineh et al. (2023) in Jordan also demonstrates that female board members have a positive impact on CSR disclosure. This implies that the presence of women on boards encourages companies to pay greater attention to their stakeholders, particularly concerning social and environmental issues. According to the findings of Al Maeeni et al. (2022), female board members positively influence CSR disclosure. This shows that the higher the proportion of women on the board, the greater the CSR disclosure. This is because women

tend to be empathetic and supportive of social and environmental activities, which can influence the actions of the board. Based on the discussion, the following research hypothesis is proposed:

H₃ : *Woman on has a positive effect on CSR disclosure*

The Influence of Audit Committee Independence on CSR Disclosure

The research by Pinheiro et al. (2023) demonstrates that audit committee independence positively influences CSR. This indicates that companies with more external audit committee members are more likely to engage in social and environmental activities. The findings of Mohammadi et al. (2021) reveal a positive relationship between audit committee independence and CSR disclosure. This suggests that an independent audit committee enhances accountability and transparency, thereby increasing the credibility of both financial and non-financial reporting, such as CSR disclosure. The research by Fallah and Mojarrad (2019) found that audit committee independence positively affects CSR disclosure, as it is considered an important external factor to ensure compliance with optimal CSR disclosure. This indicates that the greater the proportion of independent audit committee members, the higher the level of CSR disclosure. Based on the discussion, the following research hypothesis is proposed:

H₄ : *Audit committee independence has a positive effect on CSR disclosure.*

The Influence of Ownership Concentration on CSR

The research by Aboud and Yang (2022) demonstrated that ownership concentration is positively correlated with CSR. This indicates that the more concentrated the ownership, the greater the business's ability to fulfil its corporate social responsibilities. Additionally, the research by Garas and ElMassah (2018), suggested that ownership concentration has a positive correlation with CSR disclosure. This implies that higher ownership concentration leads to more extensive CSR disclosures and enhances the company's commitment to society. The Research by Bataineh et al. (2023) found that ownership concentration also positively affects CSR disclosure, as major shareholders tend to emphasize social responsibility practices to enhance the company's social reputation and development. The Research by Fallah and Mojarrad (2019) discovered that ownership concentration positively influences CSR disclosure. When shareholders hold a higher percentage of shares, they exert greater external control over managers, reducing agency problems and increasing CSR disclosure. Based on the discussion previously, the following research hypothesis is proposed:

H₅ : *Ownership concentration has a positive effect on CSR disclosure*

Methodology

This research is a causal study because the researcher aims to determine whether or not there is an effect of corporate governance on CSR disclosure in companies listed on the Indonesia IDX during the 2021–2023 period. This study uses secondary data sources in the form of annual reports and sustainability reports of companies listed on the IDX during the 2021–2023 period. The population used in this study consists of companies listed on the IDX for the period 2021–2023. The sampling method used is non-random sampling because not every element in the population has the same chance of being selected as a sample.

Furthermore, the type of sampling used is purposive sampling. This is because the samples taken meet specific criteria from the population and are relevant to the research objectives. Some of the sample selection criteria include companies listed on the IDX, financial statements in Indonesian Rupiah,

companies with fiscal year-end on December 31, companies with annual reports for the 2021–2023 period, and companies that have separate sustainability reports for the 2021–2023 period.

This study uses secondary data, so it does not involve direct recruitment of respondents. The data is taken from the annual reports and sustainability reports of companies listed on the IDX for the period 2021–2023. The sample selection is carried out using a purposive sampling method, where only companies that meet specific criteria are included in the research sample. Hypothesis testing is performed using multiple linear regression analysis to measure the influence of board characteristics on the CSR disclosure score. Before testing, the data is tested for normality, multicollinearity, heteroscedasticity, and autocorrelation to ensure the suitability of the regression model.

The dependent variable used in this study is the CSR disclosure score. Table 1 shows that CSR disclosure is measured by 24 items, which include 4 categories of CSR practices: environment, human resources, community involvement, and products/services and customers, as outlined by Ebaid (2022).

Table 1 CSR Item Checklist

Category	Item
Environment	Efforts of companies to reduce pollution, such as reducing carbon emissions and not damaging water and air
	Efforts of companies to reduce energy and water consumption
	Efforts of companies in enhancing the aesthetic value of the environment, designing buildings that harmonize with the surroundings and gardens
	Efforts of companies to increase the use of production technology, such as environmentally friendly machines and equipment
	The efforts of companies in supporting public/private initiatives aimed at protecting the environment and biodiversity
	Efforts of companies in spreading environmental awareness to the public through promotional media.
Human resources	Efforts of companies in the field of labor and fostering labor relations
	The efforts of companies in promoting diversity, employment for persons with disabilities, women, etc
	Efforts of the company in the field of health and safety for all employees
	The company's efforts in improving employee skills through training and similar activities
	Efforts of companies to improve the well-being of their employees, insurance, healthcare services, social assistance, etc
	Efforts of companies in providing childcare benefits as well as maternity leave and paternity leave
Community involvement	Contributions to social activities and public interest organizations
	Provision of medical equipment in various hospitals
	Donations for the poor and those suffering from diseases in need of treatment
	Sponsors for sports, arts, and cultural events
	Educational support (scholarships, conferences, seminars, student internships, etc
	Providing sponsorship for public health initiatives, projects, and campaigns
Products and customers	Supporting local activities, industries, and the agricultural sector
	The availability of complete and transparent information regarding the products/services provided by the company
	The availability of products/services provided by the company for free or at a discounted price for people with special needs, such as the disabled, the elderly, the poor, etc
	There is a mechanism to evaluate customer satisfaction with the products provided by the company
	There is a mechanism to protect customer data and privacy. There is a customer service mechanism, handling issues, complaints, etc

Source: Created by Authors, 2024

This research measures CSRDS using the following formula:

$$CSRDS_j = \frac{\sum_{i=1}^{n_j} X_{ij}}{N_j} \dots (1)$$

This study employs the Corporate Social Responsibility Disclosure Score (CSRDS_j) as the dependent variable, which is measured using the corporate social responsibility disclosure score. CSRDS_j is calculated based on the number of disclosed items (X_{ij}) relative to the maximum number of expected items (N_j), where $n_j \leq 24$. The independent variable in this study is corporate governance, which includes several characteristics. The corporate governance characteristics used as independent variables are board independence, board size, women on board, audit committee independence, and ownership concentration. The independent variables in this study include corporate governance, measured through Board independence percentage of independent board members, Board size number of board members, Woman on board percentage of female board members, Audit committee independence percentage of independent audit committee members, and Ownership concentration percentage of largest shareholders.

Results and Discussions

The total sample meeting the criteria is 734. However, 16 companies had to be eliminated as they were identified as outliers, resulting in their exclusion from the sample selection. The data were processed using SPSS Statistics 24 software. The descriptive statistics results in (Table 2) show the minimum value, maximum value, mean, and standard deviation for each research variable.

Table 2 Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
CSRDS	718	0.125	0.9583	0.665	0.174
Blnde	718	16.67	100.00	44.23	12.04
BSize	718	2	16	4.24	2.095
WOB	718	0.00	100.00	13.32	19.29
AuditInd	718	0.00	100.00	97.28	13.34
OwnCon	718	2.92	99.96	54.65	20.67
CSize	718	22.835	35.315	29.187	2.153
ROA	718	-167.33	94.36	3.14	12.31
LEVE	718	0.000	2.311	0.472	0.300

Source: Processed Data, 2024

Note: CSRDS = Corporate Social Responsibility Disclosure Statement); Blnde = Board Independence; BSize = Board Size; WOB = Women on Boards; AuditInd = Audit Committee Independence; OwnCon = Ownership Concentration; CSize = Company Size; ROA = Return on Asset; LEVE = Leverage.

Table 2 shows descriptive statistics for the variables. CSRDS shows significant variation, with some companies disclosing nearly all relevant items, while others disclose only a small portion of the expected information. The average CSR disclosure is measured at a moderate level, with most companies disclosing more than half of the expected items. Bind exhibits substantial variation, with some companies having a fully independent board of commissioners, while others have much lower levels of independence. BSize indicates a range from very small to large boards of commissioners, but with a relatively low average size. The presence of WOB varies, with most companies having no women on the board, while a few have boards entirely composed of women. AuditInd independence is generally high, with most companies having an independent audit committee. OwnCon also shows significant variation, with some companies having dominant shareholders who control the majority of shares, while others have more dispersed ownership. CSize reflects significant differences in asset scale,

ranging from smaller to larger companies. Company financial performance, measured by ROA, indicates the presence of companies with excellent performance as well as those experiencing substantial losses, with a relatively low average performance. Lastly, LEVE shows that some companies have very little debt compared to their assets, while others have very high debt levels.

The normality test aims to determine whether a dataset is normally distributed or not. This study employs the Kolmogorov-Smirnov test for normality. The decision criterion is based on the Asymp. Sig. (2-tailed) value. Data is considered normally distributed if the Asymp. Sig. 2-tailed value is greater than 0.05. The researcher attempted to remove outliers three times until no outliers remained (clean data). After three rounds of outlier removal, a total of 16 samples, or 2.18% of the total dataset, were excluded, leaving 718 samples. However, the Asymp. Sig. 2-tailed value remained at 0.000, indicating that the data was still not normally distributed, as the Asymp. Sig. (2-tailed) value remained < 0.05 . If the sample size exceeds 30, the data is considered normally distributed due to the Central Limit Theorem. This is because normality tests are more appropriate for small sample sizes, and large sample sizes are generally assumed to be normally distributed.

The multicollinearity test indicates that there is no significant similarity among the independent variables, as the tolerance value is > 0.10 and the VIF is < 10 . The heteroscedasticity test, conducted using the Glejser test, shows that the variables AuditInd, CSize, and ROA exhibit heteroscedasticity but do not compromise the data's consistency. The autocorrelation test, performed using the Durbin-Watson (DW) method, indicates no autocorrelation as the DW value lies between the upper (du) and lower (dl) bounds. The multiple linear regression test reveals that the independent variables have a significant simultaneous effect on the dependent variable.

Table 3 Results of the Coefficient of Determination Test

Model	Adjusted R Squared
1	0.525

Source: Processed Data, 2024

Table 3 shows that the Adjusted R-Squared is 0.525 or 52.5%. This indicates that the CSR variable is influenced by BInde, BSize, WOB, AuditInd, OwnCon, CSize, ROA, and LEVE by 52.5%. Meanwhile, the remaining 47.5% is influenced by other factors outside the variables used in this study.

The t-test is used to determine the extent to which each independent variable individually (partially) influences the dependent variable. If the significance value is < 0.05 , it can be concluded that the independent variable significantly affects the dependent variable. The results of the t-test can be seen in Table 4.

Discussion

The Influence of Board Independence on CSR Disclosure

The results of the regression test indicate that board independence does not have an effect on CSR disclosure, as the significance value is greater than 0.05 and the coefficient is close to zero. Therefore, H_1 is **not supported**. These results are consistent with previous studies by several researchers (Aboud & Yang, 2022; Orazalin, 2019; Paramita & Marsono, 2014; Said et al., 2009). Board independence has limited ability to pressure companies into disclosing CSR (Hossain et al., 2023; Mahmood & Orazalin, 2017; Orazalin, 2019; Paramita & Marsono, 2014). This is because board independence originates from external parties, who may not fully understand the internal conditions of the company, which ultimately does not affect social responsibility issues. Additionally, board independence may not be able to influence decision-making as they are not involved in the daily operational activities of the company. This is in line with the research by (Paramita & Marsono, 2014).

Table 4 Partial Test Results (t-test)

	Coefficient	t	Sig.	Conclusion
CSRDS	-0.952	-11.895	0.000	Significant
Blnde	0.000	-0.848	0.397	Not Supported
BSize	0.006	2.273	0.023	Supported
WOB	-9.568	-0.401	0.688	Not Supported
AuditInd	-2.583	-0.073	0.942	Not Supported
OwnCon	0.001	2.972	0.003	Supported
CSize	0.054	18.425	0.000	Supported
ROA	0.001	2.151	0.032	Significant
LEVE	-0.002	-0.109	0.913	Not Significant

Source: Processed Data, 2024

Note: CSRDS = Corporate Social Responsibility Disclosure Statement); Blnde = Board Independence; BSize = Board Size; WOB = Women on Boards; AuditInd = Audit Committee Independence; OwnCon = Ownership Concentration; CSize = Company Size; ROA = Return on Asset; LEVE = Leverage.

The Influence of Board Size on CSR Disclosure

The board size variable has a significant positive effect on CSR disclosure, meaning that the larger the size of the company, the higher the level of CSR disclosure. Therefore, H_2 is **supported**. This result supports studies that show a positive correlation between board size and the level of corporate social responsibility (Abu Qa'dan & Suwaidan, 2019; Ananzeh, 2022; Ebaid, 2022; Garas & ElMassah, 2018; Zaid et al., 2019). A large board size will have diverse knowledge, experience, and skills that will enhance the board's ability to oversee and control CSR disclosures (Ebaid, 2022; Zaid et al., 2019). The board of commissioners is responsible for overseeing and ensuring that the company's management conducts its activities in line with the company's objectives and in accordance with the interests of stakeholders. In line with stakeholder theory, if the relationship between the company and stakeholders is good, CSR disclosure will improve. This is also in line with agency theory, which states that a larger board can improve management oversight, thus reducing the risk of conflicts of interest between management and shareholders. The better the presence and role of the board of commissioners in the company, the better the company is in implementing CSR practices.

The Influence of Women on Board on CSR Disclosure

Women on the board of commissioners have no influence on CSR disclosure, meaning H_3 is **not supported**. This result is consistent with studies by Ananzeh (Ananzeh, 2022; Ebaid, 2022; Zaid et al., 2019). This is due to the culture in Indonesia, which is still heavily influenced by gender stereotypes, such as patriarchy, that can limit women's roles in leadership positions. Therefore, female board commissioners do not have an impact on corporate social responsibility disclosure. Based on the descriptive statistics, most of the sample does not have female board members, and the average proportion of female board members is relatively small.

The Influence of Audit Committee Independence on CSR Disclosure

The independence of the audit committee also does not have an effect on CSR disclosure, meaning that H_4 is **not supported**. This result is consistent with research by (Bataineh et al., 2023; Othman et al., 2014; Paramita & Marsono, 2014). The research indicates that audit committee independence has limitations in overseeing managerial behavior and decision-making related to CSR disclosure. The audit committee generally focuses more on monitoring financial statements and ensuring compliance with applicable regulations, while corporate social responsibility may not be their top priority. As a result, they are not involved in CSR disclosure because it falls outside of their primary responsibilities (Bataineh et al., 2023).

The Influence of Ownership Concentration on CSR

Ownership concentration has a positive and significant effect on CSR disclosure, meaning that H_5 is **supported**. The more concentrated the ownership of shareholders, the higher the level of CSR disclosure. This finding is consistent with the research by (Aboud & Yang, 2022; Bataineh et al., 2023; Fallah & Mojarrad, 2019; Garas & ElMassah, 2018; Said et al., 2009). Majority shareholders tend to be more capable of monitoring management and ensuring that the company engages in social responsibility practices to create a good reputation (Bataineh et al., 2023; Fallah & Mojarrad, 2019). In line with agency theory, major shareholders can use CSR disclosure to reduce agency conflicts because they can monitor management and ensure that the company makes decisions aligned with their interests (Aboud & Yang, 2022).

Large companies also have a positive and significant influence on CSR disclosure. This is in line with research by (Adel et al., 2019; Ananzeh, 2022; Bataineh et al., 2023; Orazalin, 2019; Pinheiro et al., 2023). Large companies have better economic resources to fund and report their social responsibility activities (Aljifri & Hussainey, 2007; Ananzeh, 2022; Pinheiro et al., 2023; Ting, 2021). Moreover, they tend to face greater pressure from stakeholders to act responsibly. In agency theory, this pressure serves as an additional monitoring mechanism to encourage management to enhance CSR disclosure transparency, which can improve the company's image. Companies with high profitability tend to disclose more CSR activities to create good performance, which ultimately attracts potential investors and increases shareholder trust (Adel et al., 2019; Ananzeh, 2022; Ananzeh et al., 2022; Bataineh et al., 2023; Ebaid, 2022). Good financial performance is more likely to disclose CSR to enhance their image and reputation (Aljifri & Hussainey, 2007; Alkhatib, 2014; Ananzeh, 2022). Furthermore, leverage does not affect CSR disclosure. This study is consistent with previous research (Abang'a & Taurigana, 2024; Aboud & Yang, 2022; Fallah & Mojarrad, 2019; Juhmani, 2014; Yusoff et al., 2013). This is because CSR disclosure is more influenced by regulations, pressure from stakeholders, and company size, rather than leverage (Juhmani, 2014; Yusoff et al., 2013). Companies with high leverage tend to focus more on financial risks and their ability to meet obligations, rather than on CSR disclosure.

Conclusions

The results indicate that board independence does not influence CSR disclosure, as independent commissioners lack detailed knowledge of the company's internal operations due to their external affiliation. Board size, however, has a significant positive effect on CSR disclosure, as a larger board brings diverse knowledge, experience, and skills, enhancing oversight and control. The presence of women on the board does not impact CSR disclosure, likely due to the low average proportion of female members (13%). Audit committee independence also shows no effect, as its primary focus is on financial reporting accuracy and compliance rather than CSR. Conversely, ownership concentration positively influences CSR disclosure, as majority shareholders tend to encourage CSR activities to improve the company's reputation.

The limitations of this study include the use of a sample only from companies listed on the IDX for the period of 2021–2023 that have a separate sustainability report from the annual report. Therefore, this study may not be as helpful for regulators in evaluating CSR implementation in companies in Indonesia. It is hoped that future research can expand the sample by including companies that integrate the sustainability report with the annual report and integrated reports. Additionally, the corporate governance characteristics used in this study are limited to just five variables: board independence, board size, woman on board, audit committee independence, and ownership concentration. It is

hoped that future research will incorporate additional characteristics, such as the audit committee, managerial ownership, government ownership, and foreign ownership.

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