THE INFLUENCE OF CORPORATE GOVERNANCE AND COMPANY CHARACTERISTICS TO THE DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY

(Empirical Study in the Mining Companies that publish Sustainability Report)

Uki Agustina — ukiagustina08@gmail.com

Oman Rusmana — omanrsm@gmail.com

Irianing Suparlinah

irianing@yahoo.com

Abstract *: Tujuan pokok perusahaan adalah meningkatkan nilai perusahaan dengan meningkatkan kemakmuran stakeholder. Tanggung jawab sosial perusahaan adalah komitmen oleh dunia usaha untuk bertindak secara etis dan berkontribusi pada pengembangan ekonomi. Tujuan Studi ini untuk memeriksa pengaruh corporate governance dan karakteristik perusahaan ke pengungkapan tanggung jawab sosial perusahaan. populasi studi ini menggunakan perusahaan pertambangan yang tercantum pada Bursa Efek Indonesia dalam periode 2010-2014. Sample studi ini menggunakan 40 dipilih dengan metode pengambilan sampel dilakukan secara purposif. Studi ini menggunakan analisis regresi berganda sebagai metode analisis. Hasil penelitian ini menunjukkan bahwa leverage memiliki pengaruh negatif ke pengungkapan tanggung jawab sosial perusahaan, sementara komite audit, profitabilitas dan ukuran perusahaan memiliki pengaruh positif ke pengungkapan tanggung jawab sosial perusahaan. Dewan komisaris dan likuiditas tidak memiliki pengaruh ke pengungkapan tanggung jawab sosial perusahaan.*

Kata Kunci: Tanggung Jawab Sosial Perusahaan, laporan berkelanjutan, Tata Pengelolaan Perusahaan, Karakteristik Perusahaan.

Introduction

The main objective of the company to improve the prosperity of stakeholders. The company in doing business activities are expected not concerned with the interests of the management and investors or creditors but also to employees, consumers and the society. Corporate social responsibility is an ongoing commitment by the business world to act ethically and contribute to the economic development of the local community and the wide community, to increase the living standards of workers and all his family.

Realized the legalization of the Government Regulation of the Republic of Indonesia Number 47 2012 About Social and Environmental Responsibility Limited Company with the Regulation Number 40 Year 2007 Article 74 About Company Limited. In addition, Statement of Financial Accounting Standards (SFAS) No.1 about responsibility for the financial report paragraphs 9 implicitly suggested to reveal the responsibility will be environmental and social problems in the additional reports about the environment and value added report.

The case outside of Indonesia such as Shell in Nigeria, Exon who poured oil on the beach in Alaska, Snow Brand scandal in Japan, Enron scandal in America (Suyono, 2010: 34). In Indonesia such as the case that is expressed in 2015 by www.csrindonesia.com said PT Freeport Indonesia is very unethical where the obligation to the employees not being met because the salaries received not worthy compared with Freeport workers in other countries. The phenomena or events that occurred at this time give awareness to the company to do the activity that is responsible for the environment as Corporate Social Responsibility (CSR).

Various studies and the literature related to the phenomenon of CSR disclosure, the research by Dilling (2010), with the results of the company size has positive effect to CSR disclosure in sustainability report while the total of members and the meeting of the audit committee members has negative effect to CSR disclosure in the sustainability. Then according to Ratnasari (2010) with the results of Company Size, board of commissioners and profitability have not significant effect to CSR disclosure in Sustainability Report while leverage has significant effect to CSR disclosure in sustainability report, while according to Taha (2014) with the result of the Audit Committee has significantly affect with the level of corporate social responsibility disclosure. In addition to Michelon and Parbonetti (2010) with the results that size, profitability, leverage, age have not significantly affect to the disclosure CSR in sustainability report. According to Hari Suryono and Andry Prastiwi (2011)

Profitability, Company size, Audit committee, and Board of director have influence to the disclosure of sustainability report and Liquidity, Leverage, Company activity and Governance Committee have not influence to the disclosure of sustainability report.

This research to test the Corporate Governance and Company Characteristics to the disclosure of CSR on the mining companies that publish Sustainability Report. Further research needs to encourage the development of CSR in the sustainability report, however that the contribution of the company to the stakeholders can be optimal. See the existence of inconsistent results among some research, make interesting to examined back. Corporate Social Responsibility is one of concept to build Corporate Sustainability. The Disclosure of Corporate Social Responsibility is selected for the operational activities of mining companies are exploiting the results of natural resources which is that cannot be updated. However, that the mining company is closely related to the environment and natural resources that are required to perform and reveals the CSR activity.

Literature Review and Hypothesis Development

1. Agency Theory

   This theory states that the agency occur when the company developed become so great that the owner of the need to involve other party in the management of the company (Jensen and Meckling (1976)). The mean principal is stakeholders or investors while the agent is the management of the company. The relationship between the owner and agents often raises the conflict. Agency conflict or difference of interest between the agent and the principal can be reduced by implementing corporate governance as a mechanism that regulate and control of the company.

2. Stakeholders Theory

   Ghozali and Chariri (2007: 409) stated that in the stakeholder theory, the company is not the entity that operates only to his own interests but must provide benefits for the stakeholder (creditors, consumers, supplier, government, community analysts and other party).

   With this disclosure, it is expected that the company to meet the needs of the information needed and can maintain the trust of stakeholders. Information Disclosure can be divided into two that required mandatory and voluntary. One form of voluntary disclosure which is disclosure of sustainability report.

3. Legitimacy Theory

According to Dowling and Pfeffer (1975) in Ghozali and Chariri (2007) explained that the legitimacy theory is very useful in analyzing the organization behavior. Limitations that is reinforced by the norms and values of social, and reaction to the restrictions to encourage the importance of the analysis of the organization behavior to respect the environment.

Legitimacy threatening issues can be created by the media, regulatory or institutional pressures, evolving social awareness and or corporate/industry crises (Chalmers and Godfrey, 2004). With the disclosure, the company will get the image and recognition and has power pull in capital investment or domestic and foreign investors.

4. Concept of CSR and Sustainability Report

a. Corporate Social Responsibility (CSR)

CSR is essentially a concept about the need for a company to build a harmonious relationship with the community and other stakeholders. According to Global Reporting Initiative (GRI) (2013), in the content analysis contained about the disclosure of social accountability consisting of economic, environment, employment of Human Rights, society and responsibility for its products.

b. Sustainability Report

The disclosure of environmental performance, social and economic fill needs by reassignment with the revealed it in the annual report or disclosure in a separate report. The Disclosure of sustainability report in the rules that have been specified in the form of reports that stand alone, although there are still many implementation of CSR revealed along with the annual report of a company.

5. Good Corporate Governance

Forum for Corporate Governance in Indonesia (FCGI) define GCG as a set of rules or a system that regulates and control of the company to create value added for stakeholders related to the rights and obligations of interested parties. According to Solihin (2008: 83) stated that one of the implementation of GCG in company is the implementation of CSR. There are some principles of Corporate Governance according to Organization for Economic Cooperation and Development:

a. Board of Commissioners

b. Audit Committee

6. Company Characteristics

a. Financial Performance

1) Profitability

Profitability is a corporate capability to produce profit in increase the value of stakeholders. A company in increase profitability to show that the company gets increase profit ratio. In Brigham and Houston (2010: 146) there are some measurements in calculating the profitability ratio:

a) Net Profit Margin (NPM)

b) Return on Equity (ROE)

c) Return on Asset (ROA)

2) Liquidity

According to Brigham and Houston (2010: 134) liquidity is the ratio which measures the ability of the company in the short term view of the current assets to release current of the company. In Brigham and Houston (2010: 134) there are liquidity ratio measurements:

a) Current Ratio

b) Quick Ratio/Acid Test ratio

3) Leverage

According to Brigham and Houston (2010: 140), leverage is level to extent which the debt is used in the capital structure of a company. In Brigham and Houston (2010: 146) there are some measurements in calculating the leverage ratio:

a) Debt to Asset Ratio (DAR)

b) Debt to Equity Ratio (DER)

c) Time Interest Earned Ratio

4) Company Size

The company size is one of many variables used to explain the variation of the disclosure in the annual report of the company. The company size affects the structure of the corporate financing. This causes the tendency of the company requires a larger fund than smaller companies. The large size of a company, then the tendency to use foreign capital also large. Because the large companies need a large fund to support the operations and one alternative assured when capital not sufficient (Brigham and Houston, 2010: 107).

7. Hypothesis Development

a. Board of Commissioners

The board of commissioners of the duty and responsibility to perform supervision and provide advice to the board of directors and ensure that the company has been implementing the GCG in accordance with the applicable rules. Based on the stakeholders theory, board of commissioners is an accountability mechanism that plays an important role in ensuring that the company meets the interests of the stakeholders, not only the interests of stakeholders (Hannifa and Cooke, 2005).

To achieve corporate accountability, board of commissioners can provide the influence to press the management to disclose social information. However, that the companies that have the size of the board of commissioners greater will be more disclose social information. With the disclosure of social and environmental information that is more expected the company to meet the needs of the information needed by the stakeholders and can manage the stakeholders in order to get support by the stakeholders that affect the survival of the company, then the hypothesis in this research as follows:

H_1 : Board of Commissioners has positive influence to the disclosure of Corporate Social Responsibility

b. Audit Committee

Audit Committee is the committee appointed by the company as the link between the board of directors and external audits, internal auditor and independent members, who has the task to provide supervision of the auditor, ensure the management to corrective action against the law and regulations (Suryono, 2011). The Audit Committee on duty to assist the board of commissioners, both in the implementation of the task or in reporting and responsible to the board of commissioners.

Audit committee with high quality will be more to understand the meaning of strategic information disclosure and needed by the stakeholders . Thus, with the greater audit committee that the expected a monitoring the better and can improve the disclosure of social information, then the hypothesis in this research as follows:

H_2 : Audit Committee has positive influence to the disclosure of Corporate Social Responsibility

c. Profitability

Profitability reflects the end result of all range policy and operational decision (Brigham and Houston, 2010: 146). The measurement of the profitability is the activity that makes the management become more flexibility to express corporate social accountability to stakeholders (Rosmasita, 2007). However the higher level of profitability a company will be increasingly disclosure of social information. There needs to be more disclosure in accordance with the needs of each user, this research the hypothesis as follows:

H_3 : Profitability has positive influence to the disclosure of Corporate Social Responsibility

d. Liquidity

Liquidity ratio is the ratio of measuring the ability of the company to meet its obligations in the short term to the creditors (Brigham and Houston, 2010: 134). Companies that have high liquidity level are considered to manage the business, resulting in a low risk level. Companies that have high liquidity level are the image of the success of the company to pay the obligations in the short term the right time. This shows the ability of the company to create the positive image acceptability and strong stick to the company. Positive image is increasingly allows the stakeholders to support the company (Suryono and Prastiwi, 2011).

One form of appreciation that will be shown the company to increase trust and positive image to publish additional information that company activities concerned with social and environmental responsibility. The publication of sustainability report is one of the companies to further indicate the severity of their company in the conduct of the social and environmental responsibility. Sustainability report is a report that stands alone or separate from the annual report, hypothesis in this research as follows:

H_4 : Liquidity has positive influence to the disclosure of Corporate Social Responsibility

e. Leverage

Leverage is to the extent the company uses the funding through debt will give some impact (Brigham and Houston, 2010: 140). According to Belkoui and Karpik (1989) in Suryono and Prastiwi (2011) the decision to disclose social information, will be followed by the expenditure for the disclosure that can reduce income. This means that Leverage gives a bad signal for the stakeholders.

Other stakeholders of the company will be more believe and choose to invest in the company that has a healthy financial condition. Therefore, the manager of the company to reduce costs (including the cost to reveal the social and environmental report). The company in the publish Sustainability Report requires a long period of time and large cost so that the company will reduce the disclosure of the report is voluntary first separate from the annual report, hypothesis in this research as follows:

H_5 : Leverage has negative influence to the disclosure of Corporate Social Responsibility

f. Company Size

The company is an issuer that many interest, greater disclosure is the reduction of costs as a form of corporate social responsibility. According to Cowen *et al.* (1987) in Sembiring (2005), theoretically large companies will not remove from the pressure with activities operating and more influence to stakeholders who pay attention to the social program that made the company so that the disclosure of corporate social responsibility will be increasingly.

Large companies are able to perform disclosure because those have greater resources and are able to finance the provision of information to external parties (Ratnasari, 2010). The large company will rise a greater spending in realizing the legitimacy of the company, this is to the fact that the company will increase the wider information. The legitimacy of the company needed to harmonize the social values of their activities with the norms of behavior that exists in the community (Suryono and Prastiwi, 2011), hypothesis in this research as follows:

H_6 : Company size has positive influence to the disclosure of Corporate Social Responsibility.

Research Method

The population in this research is the mining companies that publish the annual report and sustainability report. The period of observation in this study during 2010 - 2014. The company samples in this research is company that selected based on the purposive sampling method, the selection of samples in accordance with certain criteria. The criteria used in this research are mining companies that are listed in Indonesia Stock Exchange during 2010 – 2014, mining companies that publish annual report during 2010 – 2014, mining companies that publish sustainability report or disclose the information other social responsibility during 2010 – 2014 and have a complete data associated with the variables used in research. Multiple regression as the tool method of analysis.

1. Operational Definition
    a. Dependent Variables

Dependent variable is a variable influenced by the independent variable. Dependent variable used in this research is the disclosure of Corporate Social Responsibility as a company that is stated in the corporate sustainability disclosure (CSD).

The Disclosure of Corporate Social Responsibility is determined by using of the content analysis. Analysis of the contents of the done toward sustainability report. Content analysis based on GRI guidelines that focus on the triple bottom line. The Disclosure of social and environmental responsibility the company compared with the number of the required disclosure in GRI which covers 91 disclosure items. When the specified information item revealed and given a score 1, and if the item information is not revealed and given a score 0.

The measurement of the disclosure of the social responsibility done by non repeated means only count one time for each item without considering the item expressed again in other parts with a different language. The following is the formula of the calculation of the index disclosure of CSR (GRI 4 Version):

$$\boxed{CSRDI = \frac{\sum Xij}{nj}}$$

Description:

CSRDIj : *Corporate Social Responsibility Disclosure Index the* company j

Nj : The number of items for company j, nj for CSR disclosure indicators = 91

Xij : *dummy variable*: 1 = if the item i revealed; 0 = if item i is not revealed

b. Independent Variables

Independent variables in this research are corporate governance and company characteristics. Corporate Governance consists of the board of commissioners and audit committee while the company characteristics consist of Profitability, liquidity, leverage and company Size.

1) Board of Commissioners

The board of commissioners is responsible to determine whether the management has fulfill their responsibilities in developing and organizing internal control. The Board of Commissioners which are mentioned in this research is the number of members of the Board of Commissioners in a company. The board of commissioners is measured by counting the total of members Board of Commissioners in a company which is located in the annual report of the company.

2) Audit Committee

The Audit Committee is one of the committee has an important role in the corporate governance. The Audit Committee has the task to examine the accounting policy applied to the company, assess internal control, examine the system of reporting to external parties and the compliance to the regulations (Bradbury, 2004). The Audit Committee is the total of all members of the Audit Committee in a company. Audit Committee is measured by counting the total of members of the Audit Committee in a company which is located in the annual report of the company.

3) Profitability

Profitability is the ratio which measures the ability of the company to produce profit using total asset that belongs to the company after the adjusted with the cost of fees to fund the asset.(Brigham and Houston, 2010: 149). Profitability variable indicator used in this research is the *Return on Equity*, counted by dividing the net income to total equity. The selection of the *Return* *on Equity* as indicator in the measurement of the variable profitability because of the return on equity is used as a measure of the effectiveness of the company to get profit with take advantage of the equity stakeholders. Now their measurement according to Brigham and Houston (2010: 149) using the formula:

$$\boxed{ROE = \frac{\text{Net Income}}{\text{Total Equity}}}$$

4) Liquidity

The liquidity is the ratio which measures the ability of the company in the short term in view of the current assets of the company to release current liabilities (Brigham and Houston, 2010: 134). This variable is measured with the Current Ratio. Now their measurement is according to Brigham and Houston (2010: 134) using the formula:

$$\boxed{Current\ Ratio = \frac{\text{Current Asset}}{\text{Current Liabilities}}}$$

5) Leverage

Leverage describes the level of dependence of the company to the debt in financing the activities of operations. In addition, leverage also provides an overview of the structure of the capital owned by the company so that it can be seen the risk level no collectible a debt. In this research, indicators used to measure the level of leverage are the Debt to Equity Ratio (DER). Now their measurement is according to Brigham and Houston (2010: 143) using the formula:

$$\boxed{\text{DER} = \frac{\text{Total Liabilities}}{\text{Total Equity}}}$$

6) Company Size

Company Size is the size of the big or small a company. The size of the Company demonstrates its big or small a company that is indicated by the total assets, the number of sales, the average total sales and the average total assets (Ferry and Jones in Andriyanti, 2007). The size of the company in this research are measured with the log of total asset owned by each company.

$$\boxed{\text{Size} = \text{Log of Total Asset}}$$

2. Data Analysis Technique

Analysis methods used in this research is the testing of multiple regression. Multiple regression testing can be done after the model of this research meets the conditions of escape from the classical assumptions. In addition to the analysis of descriptive statistics to provide a more clear about a data. Therefore the need to test is done the classic assumption that consists of normality test, multicollinearity test, heteroscedasticity test, autocorellation test. To test model fit consists Determination Coefficient Test (R^2) and Simultaneous Test (F Test) and to hypothesis test is Partial Test (t Test).

Results and Discussion

From table 1 in descriptive statistics, the results shows that the number of respondents (N) from this research are 40. The board of commissioners variables with the value by an mean of 6.25. That means the sample of the company has value mean of 6 person. In the variable of Audit Committee, with value by an mean of 4.05. That means the sample of the company has value mean of 4 persons. In the variable profitability (ROE), with value by an mean of 0.16. That means the sample of the company has value mean of 16%. On the variable liquidity (CR), with value by an mean of 2.92. That means the sample of the company has value mean of 29.2%. On the variable leverage (DER) , with the value of the mean 0.83. That means the sample of the company has value mean of 83%. In the variable Company Size to measure through the log of total asset, with value by an mean is 13.33.

From Table 2 to aims normality test consistently, known the value Kolmogorov-Smirnov Z is 0.757 with 0.616 for Asymptotic Sig indicates that more than the value of alpha ($\alpha = 0.05$), however the distribution data of research variables is normal. Based on the table 3 can be seen that the VIF for variable the board of commissioners, audit committee, profitability, liquidity , leverage and company size is not more than ten and a tolerance value is more than 0.10 is means there is no multicollinearity between independent variables.

The calculation results with the Gleyser test as independent variables with absolute residual values can be seen in table 4 aims to heteroscedasticity test, their more than the alpha value ($\alpha = 0.05$) this means of it can be concluded there is no heteroscedasticity models used in the research. Based on the table 5 to aims autocorrelation test, it can be seen that in the regression equation with an alpha of 5%, the number of observations 40 and the independent variables number is 6, the obtained value of dL = 1.1754 and dU = 1.8538, while the value DW = 2.031. Because the value of DW is at dU≤dW≤4-dU can be concluded that a model not autocorrelation.

Based on the table 6 can be seen the value of R Square of 0.471 which means and its variability dependent variables that can be explained by the independent variables of 47.1%. This means 47.1% disclosure of corporate social responsibility influenced variable board of commissioners, audit committee, profitability, liquidity, leverage and company size. The remaining 52.9% influenced by other variables which are not examined in this research. Based on the table 6 seen that the value of F of 6.790 and value of *sig* by 0.00, that means the model is fit. Based on the table 6 of the six independent variables included in the model with the significance of 5 percent can be concluded that the audit committee, profitability, and company size affect significantly to CSRDI variable, while the variables board of commissioners, leverage and liquidity did not affect significantly to CSRDI variable.

In this research, based on table 6 multiple regression used to predict the relationship between corporate governance and company characteristics with the disclosure of corporate social responsibility are follows:

$$\text{CSRD} = -3{,}053 + 0{,}006\,(TBC) + 0{,}028\,(TAC) + 0{,}308\,(ROE) + 0{,}003\,(CR) - 0{,}115\,(DER) + 0{,}269\,(Log\,TA) + e$$

1. The influence of the Board of Commissioners to the disclosure of CSR

The results of SPSS output show that the variables board of commissioners as measured by the number of members of the board of commissioners has the significance of 0.599 (sig. > 0.05). However, Board of commissioners have positive influence and not significant against the disclosure of CSR in the Sustainability Report. This result indicates that the number of the board of commissioners has no effect on the disclosure of sustainability report.

The results of the board of commissioners variable descriptive statistics show that the value of the mean 6 person and the numbers are uneven in several company, the most of the sample companies have a number of the board of commissioners little or many company cannot give impact to the company in the disclosure of corporate social responsibility. It is indicated as one of the reasons why the hypothesis was rejected. Not significance of board commissioners consistent with previous research, Ratnasari (2010), mentioned that the size of the board of commissioners does not have a significant influence on wider disclosure of CSR in sustainability report. Besides, in determining the amount of the board of commissioners, need to be noted about the composition, competence and integrity to be able to give direction to the management with good to achieve transparency dissemination of information about the social and environmental responsibility in sustainability report.

2. The influence of Audit Committee to the disclosure of CSR.

The results of SPSS output shows the audit committee variables as measured by the number of members of the audit committee have the significance of 0.043 (sig. < 0.05), However, audit committee has positive influence and significant on the disclosure of corporate social responsibility in the sustainability report. This result indicates that the number of audit committee has positive influence to the disclosure of corporate social responsibility in Sustainability Report.

Significance of audit committee consistent with the previous research by Taha (2014) stated that the task of the social responsibility that belongs to the audit committee outlining that the audit committee must have a clear written planning and focus in implementing corporate social responsibility. The realization of planning written about corporate responsibility can be published through sustainability report.

3. The influence of profitability to the disclosure of CSR

The results of SPSS output shows the profitability variable as measured by return on equity (ROE) has the significance of 0.041 (sig. < 0.05). However, profitability has the positive influence and significant to the disclosure of sustainability report. It shows that the number of profitability has positive influence to the disclosure of corporate social responsibility in the Sustainability Report.

The results of this research consistent with the previous research by Dilling (2010) stated that the practice of the disclosure of sustainability report was influenced by the profitability of the company. Dilling (2010) stated that sustainability reporting report posseses significant positive relationship with profit margins and long-term growth. The company with a good financial performance capability, will possesses high confidence in providing information to stakeholders because he was able to show them that the company can fulfill their hopes especially investors and creditors. The company with a high level of profitability will encourage managers to do more information disclosure to convince investors and creditors against the profitability of companies including disclosure of sustainability report (Suryono, 2011). Profitability is one of the performance indicators that must be expressed in the sustainability report.

4. The influence of liquidity to the disclosure of CSR

The results of SPSS output shows liquidity variables as measured by the current ratio has the significance of 0.829 (sig. > 0.05). Liquidity has positive and not significance influence to the disclosure of corporate social responsibility in the sustainability report. Not significance of liquidity consistent with the research by Suryono and Prastiwi (2011) stated that liquidity not influence to disclosure sustainability reports because stakeholder focus to financial performance rather than extra information about the social and environmental activities through the sustainability report.

Most of the companies doing the disclosure involved due to acquire a good image to stakeholders. The voluntary disclosure involves additional report made by companies to form company image as social and environmental information disclosure through sustainability reports. Liquidity of the company has not influence to the disclosure of corporate social responsibility.

5. The influence of Leverage to the disclosure of CSR

The results of SPSS output shows liquidity variables as measured by the debt equity ratio (DER) the significance is 0.002 (sig. < 0.05). Based on the result, stating that leverage negative influence and significant to the disclosure of corporate social responsibility. The decision to disclose social information will be followed by the expenditure for the disclosure that can reduce income.

Significance of leverage consistent with the research by Michelon and Parbonetti (2010) stated that leverage has not significantly affect to the disclosure CSR in sustainability report. Therefore, manager party seeks to reduce costs (including disclosure of environmental and social) however that the financial performance of being good company with high leverage will bear the monitoring cost is also high in the management of the information of the creation of the report that the company would prefer to reduce the level of the disclosure of the report especially voluntary measures such as sustainability report.

6. The influence of Company Size to the disclosure of CSR

The results of SPSS output shows the variables company size measured with Total Asset has the significance of 0.00 (sig. < 0.05). However, company size has positive influence to the disclosure of sustainability report. This shows that the size of the company positive role against the disclosure of sustainability report. Significance of company size consistent with the research done by Khan (2010), Michelon and

Parbonetti (2010) stated that relations size companies with Internet index Financial and sustainability reporting in relation to the direction.

The bigger company, then will get the attention of the stakeholders. Companies trying to get the legitimacy of stakeholders with encouraged more information. The bigger company has more tendencies to reveal more information however increase performance to the disclosure of sustainability report. Company with high assets it is possible to disclosure the company information. The reason for the company with high total assets has the possibility to be made the disbursement of credit. The high total assets company, then the management will pay more attention to the information disclosure as a form of accountability and demand from stakeholders.

Conclusion

Corporate social responsibility disclosure needed to be done as a form of responsibility and form of communication of the company to the stakeholders regarding the performance and condition of the company. This research was done to test the factors that influence the disclosure of corporate social responsibility on the sustainability report. The determination of the sample is done with the technique of purposive sampling and finally acquired 8 companies with five year period, however that the total data analysis are 40 companies.

The factors that influence to the disclosure of CSR proxy through the board of commissioners, Audit Committee, profitability, liquidity, leverage, and company size. Based on the results of the test using multiple regression, can be concluded as follows:

1. The board of commissioners has positive influence and not significant to the disclosure of corporate social responsibility
2. The audit committee has positive influence and significant to the disclosure of corporate social responsibility
3. The profitability has positive influence and significant to the disclosure of corporate social responsibility
4. The liquidity has positive influence and not significant to the disclosure of corporate social responsibility
5. The leverage has negative influence and significant to the disclosure of corporate social responsibility
6. The Company Size has positive influence and significant to the disclosure of corporate social responsibility.

Implications

This study have implications in the future and is expected to be useful as material consideration in improving the efficiency of an organization.

1. The results of this study are expected to contribute to the development of literature in the field of financial management, particularly the use of financial performance in order to improve stakeholders, is also a motivation to do next research mainly related to accounting information.
2. The implication for company that the company needs to implement corporate social responsibility as one of the strategies the company because of the results of this research show that corporate social responsibility can increase the value of the company.
3. Implication for investor that the Investor may consider the companies who implement corporate social responsibility as part in decision making of investment because companies who implement corporate social responsibility means paying attention to the company sustainability.

Limitations and Suggestions

This research have limited elements in determining subjectivity disclosure index. This is due to the lack of raw terms that can serve as a reference point however that the determination of the index for the indicators in the same category can vary for each researcher.

Suggestions that can be given to further research are further research is expected to increase the number of samples of the company more accurate in predict the influence of the factors of corporate governance and company characteristics to the disclosure of corporate social responsibility. The next researchers are expected to use a different variable measurement, for example to the board of commissioners variable is measured by the number of members meeting, to audit committee is measured by the number of Audit Committee meeting, liquidity measured with cash ratio, leverage measured with the debt asset ratio.

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Appendix

Table 1. Descriptive Statistics

Statistics

		CSR Disclosure	Board of Commisioners	Audit Committee	Profitability	Liquidity	Leverage	Company Size
N	Valid	40	40	40	40	40	40	40
	Missing	0	0	0	0	0	0	0
Mean		.6522	6.2500	4.0500	.1645	2.9240	.8352	13.3392
Median		.6593	6.0000	4.0000	.1400	2.1950	.7100	13.3450
Mode		.66	6.00	3.00	.10[a]	1.64	.36[a]	13.34
Std. Deviation		.14065	1.44559	1.23931	.12712	1.73361	.54304	.30155
Variance		.020	2.090	1.536	.016	3.005	.295	.091
Range		.52	6.00	4.00	.51	9.33	2.17	1.14
Minimum		.37	4.00	3.00	-.06	1.31	.00	12.77
Maximum		.89	10.00	7.00	.45	10.64	2.17	13.91

a. Multiple modes exist. The smallest value is shown

Table 2. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Standardized Residual
N		40
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	.91986621
Most Extreme Differences	Absolute	.120
	Positive	.094
	Negative	-.120
Kolmogorov-Smirnov Z		.757
Asymp. Sig. (2-tailed)		.616

a. Test distribution is Normal.

Table 3. Multycollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-3.053	.808		-3.780	.001		
	Board of Commisioners	.006	.012	.066	.530	.599	.889	1.125
	Audit Committee	.028	.013	.250	2.102	.043	.960	1.042
	Profitability	.308	.145	.278	2.124	.041	.790	1.267
	Liquidity	.003	.012	.031	.218	.829	.659	1.518
	Leverage	-.115	.035	-.446	-3.290	.002	.738	1.354
	Company Size	.269	.060	.577	4.462	.000	.811	1.233

a. Dependent Variable: CSR Disclosure

Table 4. Heteroscedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.511	.372		1.373	.179
	Board of Commisioners	-.008	.006	-.245	-1.443	.159
	Audit Committee	-.003	.006	-.080	-.491	.627
	Profitability	-.049	.067	-.131	-.728	.472
	Liquidity	-.006	.005	-.203	-1.030	.311
	Leverage	-.026	.016	-.299	-1.606	.118
	Company Size	-.024	.028	-.155	-.870	.391

a. Dependent Variable: absres

Table 5. Autocorellation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.743[a]	.552	.471	.10229	2.031

a. Predictors: (Constant), Company Size, Audit Committee, Board of Commisioners, Profitability, Leverage, Liquidity

b. Dependent Variable: CSR Disclosure

Table 6. Multiple Regression Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.743[a]	.552	.471	.10229	2.031

a. Predictors: (Constant), Company Size, Audit Committee, Board of Commisioners, Profitability, Leverage, Liquidity

b. Dependent Variable: CSR Disclosure

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.426	6	.071	6.790	.000[a]
	Residual	.345	33	.010		
	Total	.772	39			

a. Predictors: (Constant), Company Size, Audit Committee, Board of Commisioners, Profitability, Leverage, Liquidity

b. Dependent Variable: CSR Disclosure

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.053	.808		-3.780	.001
	Board of Commisioners	.006	.012	.066	.530	.599
	Audit Committee	.028	.013	.250	2.102	.043
	Profitability	.308	.145	.278	2.124	.041
	Liquidity	.003	.012	.031	.218	.829
	Leverage	-.115	.035	-.446	-3.290	.002
	Company Size	.269	.060	.577	4.462	.000

a. Dependent Variable: CSR Disclosure