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Analysis Of the Influence of Company Size, Economic Performance, Leverage, and Foreign Ownership on Corporate Social Responsibility Disclosure

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Abstract

Purpose: This research aims to analyze the relationship between leverage, profitability, and foreign ownership on the disclosure of Corporate Social Responsibility in the mining sector listed on the Indonesia Stock Exchange (IDX). This study was conducted because, nowadays, companies globally are not only oriented toward high performance profits, but also towards social and environmental issues.
Methodology: The population of this research was 114 mining companies listed on the IDX during 2013-2015, with purposive sampling techniques resulting in 87 mining companies. Multiple linear regression analysis was used to determine the effect of independent variables (company size, economic performance, leverage, and foreign ownership) on the dependent variable of Corporate Social Responsibility. The Corporate Social Responsibility index was measured using indicators disclosed by companies with the number of indicators set out in the G4 by the Global Reporting Initiative (GRI). Company size was determined by the amount of assets, Economic Performance was defined by return on assets (ROA), leverage was defined by the debt-to-asset ratio (DAR), and Foreign Ownership was defined by the amount of foreign ownership divided by the number of outstanding shares.
Findings: The results of this research show that Company Size, Economic Performance, and Foreign Ownership influence the disclosure of Corporate Social Responsibility, in contrast, Leverage does not influence the disclosure of Corporate Social Responsibility.
Novelty: This research uses a more comprehensive measurement standard for CSR disclosure than previous research, which used the G3 version 3.0 standard with 79 disclosure items. In this research, the G4 version 4.0 standard released by the Global Reporting Initiative (GRI) is used, which has 91 disclosure items

Keywords: Corporate Social Responsibility, Company Size, Economic Performance, Leverage, and Foreign Ownership.

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Introduction

The current business issue is that companies are facing challenges in applying ethical standards to responsible business practices, known as Corporate Social Responsibility (CSR). According to Chapter74 of the Law's Private Companies No. 40 of 2007, CSR disclosure is mandatory for companies. The law requires every company engaged in natural resource-related activities to take social and environmental responsibility. CSR disclosure is carried out so that companies operate not only for the benefit of shareholders (Stakeholders), but also for the benefit of stakeholders, such as employees,

communities, local governments, non-governmental organizations (NGOs), and the environment (Nugroho, 2007).

Social responsibility is receiving increasing attention from the business world, especially companies. The public is becoming more critical in responding to social control issues in the business world. Changes in public awareness have created a new awareness of the importance of implementing CSR (Daniri, 2007). According to Utama (2007), the development of CSR is also related to the increasing damage to the natural environment that is occurring in Indonesia and the world, resulting in current conditions changing, from the increasingly disappearing forests, declining air and water quality, to global climate change that is becoming increasingly hot.

In line with these developments, Law's Private Companies 40 of 2007 regarding the purpose of companies in general is to seek profit or gain, which then shifts towards a more comprehensive goal, which is how society as users of a company's production recognize the existence of the company (Sari, 2013). Social and environmental responsibility is the responsibility of every company to improve social disparities and all environmental damage caused by the company's activities. The more forms of accountability carried out by the company, the better the company's reputation will be in the eyes of the public.

However, in reality, many companies in Indonesia still overlook this. In a study conducted by Cahaya, et al. (2008) using a sample of 100 companies in Indonesia, the average result of social responsibility disclosure was 14.15%. This shows that CSR disclosure in companies in Indonesia is still relatively low.

In this research, the author will analyze the factors influencing the disclosure of CSR information listed on the Indonesia Stock Exchange (IDX). Based on previous research, there are differences in the results of the factors that influence CSR, such as company size, economic performance, leverage ratio, and foreign ownership. There are differences between previous research and the research conducted by the author, which is in the standard used in the disclosure of CSR. This research uses a more comprehensive CSR disclosure measurement standard than previous studies, which used the G3 version 3.0 standard with 79 disclosure items. This study uses the G4 version 4.0 standard released by the Global Reporting Initiative (GRI) with 91 disclosure items.

Literature Review

Legitimization Theory

Legitimization theory holds that the legitimacy of a company within society is a strategic factor in its development and survival, as it ensures its existence in the community. Companies must convince society that their activities and performance are acceptable. Annual reports are often used to portray the impression of environmental responsibility, thereby gaining acceptance from the public. Legitimization is a psychological state of support from individuals and groups who are sensitive to the physical and non-physical environmental phenomena around them (O'Donovan, 2001). According to this theory, legitimacy is something that society grants to a company and something that the company seeks or desires from society. Therefore, legitimacy is a potential resource or benefit for the company to remain a going concern.

Gray et al. (1995) argue that legitimacy is the management of a company that is oriented towards society, government, individuals, and groups within the community. Thus, the company's operations must be in line with the expectations of society. This aligns with Jaffar et al.'s (2010) statement that a company must ensure that its activities are in line with the wishes of society or shareholders to ensure its continued success.

Changes in social values and norms as a consequence of human civilization's development also motivate changes in a company's legitimacy and may pose a threat to a company's legitimacy (Lindblom, 1994). Deegan et al. (2000) state that legitimacy is obtained when a company's existence does not interfere

with or is consistent with the existing value system in the community and the environment. When a shift towards inconsistency occurs, a company's legitimacy may be at risk.

Lindblom (1994) suggests that an organization may employ four legitimacy strategies when facing various threats to its legitimacy. Therefore, when a company's performance fails (such as a serious accident or financial scandal), it may:

1. Attempt to educate its stakeholders about the organization's goals to improve its performance.
2. Attempt to change stakeholders' perceptions of an event (without changing the actual performance of the organization).
3. Divert attention from the issue at hand (focus on some positive activities unrelated to the failure).
4. Attempt to change external expectations of its performance.

In general, the Legitimization theory offers an important perspective on the practice of social disclosure by companies. This theory has become one of the most commonly used theories, especially in the areas of social and environmental accounting. Therefore, it has offered a real perspective on voluntary disclosure by a company and in the context of the social environment.

Stakeholder Theory

The Stakeholder theory posits that stakeholders are individuals or groups who can influence or be influenced by a company's decisions, policies, or operations. Stakeholders, or those with a stake in the business, are divided into internal and external parties. Internal parties include shareholders, management, and employees, while external parties include investors, creditors, consumers, suppliers, the community, and the government. Chariri and Ghozali (2007) state that a company is not an entity that operates solely for its benefit but must provide benefits to its stakeholders.

Disclosure of a company's social information is part of the company's and its stakeholders' dialogue. Therefore, the stronger the stakeholder, the more the company must adapt to its stakeholders. The better the disclosure of the company's Corporate Social Responsibility, the more stakeholders will fully support the company for all its activities aimed at improving its performance and achieving profits.

Corporate Social Responsibility

Corporate Social Responsibility is a company or business's commitment to contribute to sustainable development by considering its social responsibility and emphasizing the balance between economic, social, and environmental aspects (Untung, 2008). A company's responsibility includes several inseparable aspects. From this understanding of corporate responsibility, social responsibility arises that must be carried out by the company. Corporate Social Responsibility is a company's contribution centered on business activities, social investment, philanthropy programs, and obligations in public policy. With or without legal regulations, a company must uphold morality. The parameters for a company's success in terms of Corporate Social Responsibility are to prioritize moral and ethical principles, which mean achieving the best results without harming other groups in society. One of the moral principles often used is the golden rule, which teaches someone or a party to treat others as they would like to be treated (Suranta, 2008). Thus, companies that work based on moral and ethical principles will provide the most significant benefits to society.

According to Zhegal and Ahmed (1990), things related to reporting social responsibility information include the following:

1. Environment, including prevention and improvement of environmental damage, pollution control, nature conservation, and other disclosures related to the environment.
2. Energy, including energy conservation, energy efficiency, and others.
3. Human resources, including activities in a community.
4. Products, including safety, pollution reduction, and others.

Meanwhile, according to the Global Compact Initiative (2002), the understanding of Corporate Social Responsibility is presented with the 3P concept, namely profit, people, planet. This concept includes the understanding that business is not just about seeking profits (profit) but also providing welfare to others (people) and ensuring the sustainability of the earth (Planet) (Nugroho, 2007). In this regard, the

government has issued written regulations regarding the concept of Corporate Social Responsibility in Law No. 47 of 2007 concerning Private Companies.

This research will compare the disclosure of Corporate Social Responsibility carried out by companies with the latest standards issued by the Global Reporting Initiative (GRI) version 4.0. The Global Reporting Initiative is a non-profit organization that leads the way in sustainability reporting standards and is committed to continuously improving and implementing them worldwide (accessed via www.globalreporting.org). The indicators in disclosing Corporate Social Responsibility according to the latest GRI standard agreed upon in 2013 (called G4) are economic, environmental, and social categories. Economic indicators consist of economic performance aspects, presence in the market, indirect economic impacts, and procurement practices.

Environmental indicators include materials, energy, water, biodiversity, emissions, effluents and waste, products and services, compliance, transportation, supplier environmental assessments, and environmental grievance mechanisms. Meanwhile, the social indicators have sub-categories, including employment practices and working conditions, which consist of aspects of employment, industrial relations, health and safety at work, training, and education, diversity and equal opportunities, gender pay equity, supplier assessments on employment practices, and grievance mechanisms for labor-related issues. Under the human rights category, there are aspects such as investments, non-discrimination, freedom of association and collective bargaining, child labor, forced labor, security practices, indigenous rights, assessments, supplier assessments on human rights, and mechanisms for grievances related to human rights. Under the community category, there are aspects of local communities, anti-corruption, public policy, anti-competitive behavior, compliance, supplier assessments on community impacts, and mechanisms for grievances related to community impacts. The product responsibility sub-category includes customer health and safety, product and service labeling, marketing communication, customer privacy, and compliance.

Company Size

Company size is a variable widely used to explain the variation in disclosure in annual reports. Generally, larger companies will disclose more information than smaller ones. Large companies will face more significant political risks than small ones. Theoretically, large companies will not be immune to political pressure to be socially responsible. Greater social disclosure reduces political costs for companies (Hasibuan, 2001). By disclosing environmental concerns through financial reporting, companies, in the long run, can avoid the huge costs resulting from public demands.
Large companies are the most highlighted by the public, so greater disclosure is a reduction in political costs as a manifestation of corporate social responsibility (Sembiring, 2005). Company size is also an essential variable in the practice of Corporate Social Responsibility and plays a role as a barometer for the practice of Corporate Social Responsibility.

Economic Performance

Economic Performance can be measured, among other things, by using the Return On Asset (ROA) ratio. ROA is one of the ratios used to measure a company's ability to generate net profit based on its total assets. ROA is called Earning Power because it describes the profit from every rupiah of assets used (Putri, 2013). By using ROA, it can be seen whether a company has used its assets to the fullest to obtain the desired profit. With high profits, companies will likely be more active in reporting their social responsibilities. Nurkhin (2009) stated that companies in Indonesia would increase the disclosure of social responsibility information when they earn high profits. The higher the profits earned, the higher the social responsibility information disclosure level that the company will perform.

Leverage

Leverage is the use of assets or funds where the company has to bear fixed costs in the form of depreciation or interest expenses (Halim, 2007). Companies do this to increase their capital with the hope of increasing their level of earnings and profits.

Foreign Ownership

Foreign share ownership refers to the ownership of shares in Indonesian companies by foreigners, whether individuals or institutions. Currently, foreign parties are among those with a high level of awareness of Corporate Social Responsibility disclosure. Puspitasari (2009) revealed that foreign-owned companies tend to report broader disclosures because foreign parties, especially in America and Europe, are more familiar with environmental social responsibility practices and disclosures. They receive sufficient training and have extensive information networks for internal control.

Hypothesis Development

The Influence of Company Size on Corporate Social Responsibility

Company size is a predictor variable widely used to explain the variation in disclosure in company annual reports. According to Siregar and Utama in Nofandrilla (2008), the larger the company size, the more information is available to investors in making decisions regarding stock investments. Sembiring (2005) and Nofandrilla (2008) found a significant influence of company size on corporate social responsibility disclosure. However, this differs from the results of research conducted by Anggraini (2006) and Roberts (1992), which stated that company size does not affect corporate social responsibility disclosure. From the above description, the hypothesis that can be tested from this research is:

H1: Company Size has a positive influence on Corporate Social Responsibility disclosure.

The Influence of Economic Performance on Corporate Social Responsibility

According to Ullman (1985), good economic performance helps companies contribute to social activities such as donations to the community and forming employee training programs. Based on the above explanation, the hypothesis that can be tested from this study is:

H2: Economic Performance has a positive influence Corporate Social Responsibility disclosure.

The Influence of Corporate Debt (Leverage) on Corporate Social Responsibility

Referring to Kinantika (2013), it is predicted that companies with high leverage ratios will tend to disclose more information about their social activities. This is because companies will tend to show their creditors that they are focused on their business activities and care about the surrounding community. As in the research conducted by Wakid et al. (2012) using judgment sampling techniques consisting of 30 manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2008 to 2011, the results showed that leverage influences the disclosure of corporate social responsibility. This is also in line with the research conducted by Nasir et al. (2013) using a sample of 11 Food and Beverage companies listed on the IDX in 2011, which found that leverage positively affects the disclosure of information on corporate social responsibility. Additionally, the research conducted by Purnama et al. (2014) using a sample of 30 manufacturing companies listed on the IDX from 2010 to 2012 found a significant relationship between leverage and the disclosure of information on corporate social responsibility. This is done so lenders (creditors) can see how their loans to the company are being used and improve the company's image in front of lenders. Therefore, the hypothesis to be tested in this study is:

H3: Company leverage has a positive influence on the disclosure of Corporate Social Responsibility.

The Influence of Foreign Ownership on Corporate Social Responsibility

Sustainability reporting is a chosen medium for companies to demonstrate their concern for the community around them. In other words, if foreign parties partially own a company's shares, the company is more likely to engage in sustainability reporting. According to stakeholder theory, the more numerous and more substantial the stakeholders, the greater the tendency for the company to adapt to

their stakeholders' desires. This is manifested through accountability in sustainability reporting activities for the company's activities. Foreign-based companies are likely to have more stakeholders than national-based companies. Hence the demand for social, economic, environmental, and corporate governance information is also higher (Nurrahman, 2013). Several studies have been conducted, including Oh et al. (2011), who analyzed ownership structure and CSR disclosure using a sample of 118 large companies listed on the Korean Stock Exchanges in 2006 and found that foreign share ownership influences the disclosure of social responsibility information. Khan et al. (2013) studied the factors that influence Good Corporate Governance and Corporate Social Responsibility using a sample of 135 manufacturing companies listed on the Dhaka Stock Exchange (DSE) in Bangladesh and found a relationship between foreign share ownership and the disclosure of social responsibility information. Fitri (2014), through their research on the extent of share ownership and CSR disclosure, using a sample of 30 mining companies listed on the Indonesia Stock Exchange (BEI) in 2008-2012, found that foreign share ownership influences the disclosure of social responsibility information. Therefore, the hypothesis that can be tested is:

H4: Foreign share ownership has a positive influence on the disclosure of Corporate Social Responsibility

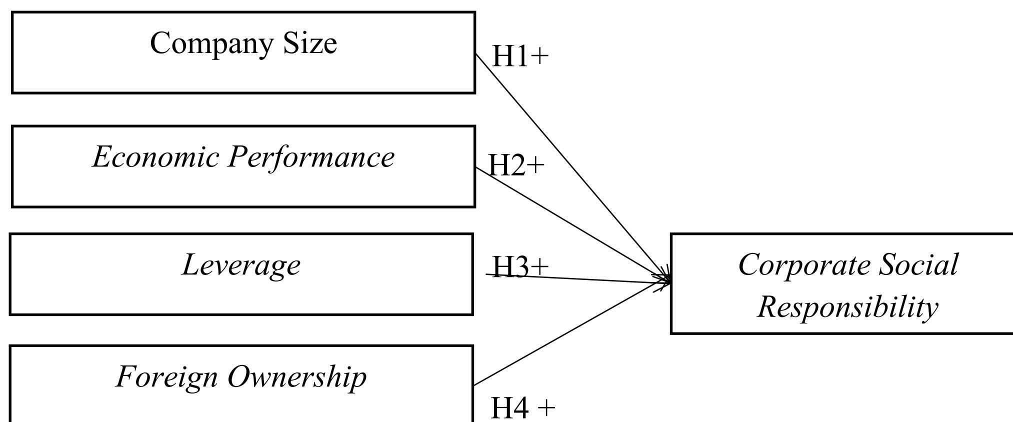

Figure 1. Research Framework

Methodology

Population used in this study is all mining sector companies listed on the Indonesia Stock Exchange (IDX) in the years 2013 to 2015 that meet the established criteria. Sampling in this study was conducted using purposive sampling method, which is a technique of sample selection based on considerations or criteria, namely mining sector companies listed on the Indonesia Stock Exchange (IDX) in the years 2013-2015 that consecutively publish annual reports in 2013-2015 and can be accessed through the Indonesian Stock Exchange (IDX).

In this study, the type of data used is secondary data. Secondary data is data that is obtained from records or other sources that already exist. The secondary data used in this study is a list of companies that disclose Corporate Social Responsibility information in 2013-2015 and can be accessed through www.idx.co.id.

The data collection method used in this study is an indirect method. The method used is by using secondary data or quantitative data in the form of mining company annual reports for the years 2013-2015, which were downloaded from the official website of the Indonesian Stock Exchange (IDX) at www.idx.co.id.

Dependent Variable

Corporate Social Responsibility

The dependent variable in this study is the level of Corporate Social Responsibility disclosure in the annual reports of mining companies, expressed as Corporate Social Responsibility (CSR) towards the total disclosures referring to the 91 GRI (Global Reporting Initiatives) indicators, covering economic, environment, labour practices, human rights, society, and product responsibility. The calculation of the CSR disclosure index is formulated as follows:

$$\boldsymbol{CSR} = \frac{\text{Number of disclosure items}}{91}$$

The measurement of this variable is done by observing the presence or absence of a predetermined information item in the annual report. If the information item is not present in the financial report, it is given a score of 0, and if the predetermined information item is present in the annual financial report, it is given a score of 1. This method is often called a checklist data.

Independent Variable

Company Size

Company size is measured by the total assets of the company, as total assets can represent the size of the company (Nur Cahyonowati, 2003). Company size is proxied by the natural logarithm of total assets, with the aim of reducing significant differences between large and small companies so that total asset data can be normally distributed (Sari, 2012). In this study, the formula used to measure the variable as follows:

$$\boldsymbol{Size} = \text{Ln Total Aset}$$

Economic Perfomance

The economic performance of the company used in this research is the Return on Asset (ROA) ratio. Return on Asset (ROA) is the ratio between net profit and total assets. The higher the profitability, the higher the efficiency of the company in utilizing company facilities (Sartono, 2001). A positive Return on Asset (ROA) indicates that from the total assets used for company operations, it is able to provide profits for the company. Conversely, if ROA is negative, it indicates that the total assets used do not provide profits or can be called non-profitable. Thus, this research uses the following calculation:

$$\boldsymbol{ROA} = \frac{\text{Net Income}}{\text{Total Assets}}$$

Company Debt (Leverage)

Company debt (leverage) is an asset or fund, in which its use is burdened with fixed costs in the form of depreciation or interest (Halim, 2007). In this study, the calculation of leverage is done using Debt to Asset Ratio (DAR) or the ratio of debt to the capital used by the company. According to Syamsuddin (2006:30), Debt to Total Assets Ratio (DAR) is used to measure how much of the company's assets are financed with total debt. The higher this ratio, the greater the amount of borrowed capital used to invest in assets to generate profits for the company. The calculation of Debt to Total Assets Ratio (DAR) is formulated as follows:

$$\boldsymbol{DAR} = \frac{\text{Total company debt}}{\text{Total assets}}$$

Foreign Ownership

Foreign Ownership refers to the ownership of shares by foreign individuals or institutions in companies located in Indonesia. Therefore, this study uses the following calculation:

$$\boldsymbol{Foreign\ Ownership} = \frac{\text{Total shares owned by foreign parties}}{\text{Total shares outstanding}}$$

The data analysis method used in this study is multiple linear regression using SPSS 20. Regression analysis is an analysis to determine the direction of the relationship between independent variables and dependent variables, whether each independent variable is positively or negatively related, and to predict the value of the dependent variable if the value of the independent variable increases or decreases. The multiple linear regression equation is as follows:

$$CSRIt = \alpha + \beta_1 SIZE_i + \beta_2 PRFR_i + \beta_3 LEV_i + \beta_4 FROW_i + e$$

Explanation:

CSRIt = Total amount of social information disclosed
α = Constant
β1 = Regression coefficient of variable SIZEi
β2 = Regression coefficient of variable PRFRi
β3 = Regression coefficient of variable LEVi
β3 = Regression coefficient of variable FROWi
SIZEi = Company Size
PRFRi = Economic Performance
LEVi = Leverage
FROWi = Foreign Ownership
e = Error term

Results and Discussion
Results

Based on the results of the multiple linear regression analysis, it shows that company size, economic performance, and foreign ownership have a positive influence on Corporate Social Responsibility disclosure. Meanwhile, the leverage variable has no influence on Corporate Social Responsibility disclosure.

Table 1. Multiple Linear Regression Analysis Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,121	,162		-,745	,458
	Company Size	,017	,006	,288	2,978	,004
	Economic Performance	,239	,080	,289	2,994	,004
	Leverage	-,078	,040	-,194	-1,957	,054
	Foreign Ownership	,087	,027	,305	3,216	,002

a. Dependent Variable: CSR Indeks

Source: The Processed Secondary Data (2016)

From the multiple linear regression analysis results above, the model equation developed in this study is as follows:

CSRIt = -0.121 + 0.017 SIZEi + 0.239 PRFRi - 0.078 LEVi + 0.087 FROWi + e

The conclusions that can be drawn from the regression model results above are as follows:

1. The intercept constant value is -0.121. This result can be interpreted as meaning that if the values of all independent variables are 0, the amount of Corporate Social Responsibility disclosure will be -0.121.
2. The regression coefficient value for the company size variable is 0.017. This result can be interpreted as meaning that if the company size variable increases by one unit, the Corporate Social Responsibility disclosure will increase by 0.017, assuming that all other independent variables are constant.
3. The regression coefficient value for the Economic Performance variable is 0.239. This result can be interpreted as meaning that if the Economic Performance variable increases by one unit, the Corporate Social Responsibility disclosure will increase by 0.239, assuming that all other independent variables are constant.
4. The regression coefficient value for the leverage variable is 0.078. This result can be interpreted as meaning that if the leverage variable increases by one unit, the Corporate Social Responsibility disclosure will decrease by 0.078, assuming that all other independent variables are constant.
5. The regression coefficient value for the foreign ownership variable is 0.087. This result can be interpreted as meaning that if the foreign ownership variable increases by one unit, the Corporate Social Responsibility disclosure will increase by 0.087, assuming that all other independent variables are constant.

Table 2. Recapitulation of Hypothesis Test Results.

Hypothesis	Description	β	Sig.	Conclusion
1	Company Size has a significant positive influence on the disclosure of Corporate Social Responsibility.	0,017	0,004	Accepted
2	Economic Performance has a significant influence effect on the disclosure of Corporate Social Responsibility.	0,239	0,004	Accepted
3	Leverage has a negative influence on the disclosure of Corporate Social Responsibility.	-,078	0,054	Rejected
4	Foreign Ownership has a significant positive influence on the disclosure of Corporate Social Responsibility.	0,087	0,002	Accepted

Source: The Processed Secondary Data (2016)

Discussion

Discussion of H1

The research findings indicate that the company size variable has an effect on the disclosure of Corporate Social Responsibility. This is based on the regression test results where the significance level is less than 0.05, namely 0.04. This result supports the first hypothesis, which states that company size has an effect on the disclosure of Corporate Social Responsibility. The size of a company can also be

expressed by the fixed assets owned by the company. The larger the amount of fixed assets owned, the greater the social responsibility that must be disclosed. Corporate Social Responsibility is not just charity activities, but requires a company to seriously consider the impact on all stakeholders, including the company's reputation in society, in making its decisions. When Corporate Social Responsibility disclosure is good, society also has a positive view of the company. This research result is similar to the studies conducted by Nor Hadi and Sabeni (2002), Hasibuan (2002), and Yuliani (2003) where they found that Company Size has a significant effect on Corporate Social Responsibility. According to Cahya (2011), generally, larger companies will disclose more information than smaller ones. This is because larger companies will face greater political risks than smaller ones. By disclosing concern for the environment through financial reporting, the company can avoid very high costs due to demands from the community in the long run.

Discussion of H2

The research results show that economic performance variable has a significant influence on the disclosure of Corporate Social Responsibility. This result is based on the regression analysis, where the regression coefficient value is 0.289 and the significance value is 0.04. These calculations confirm the acceptance of the second hypothesis, which states that economic performance has a significant positive effect on the disclosure of Corporate Social Responsibility. This also means that the higher the profits earned by the company, the higher the level of Corporate Social Responsibility disclosure. The positive influence of economic performance, as measured by the return on assets (ROA) generated by the company, on the disclosure of Corporate Social Responsibility can be explained using the stakeholder theory. This theory explains the influence of ROA on the disclosure of Corporate Social Responsibility based on the fact that companies must be accountable to stakeholders for all activities related to mandatory reporting as well as voluntary activities carried out by the company (Putri, 2013). Having a good ROA value indicates that the company's performance is good. Therefore, the company is also required to pay attention to its concern for the environment around the company when conducting business activities. This is consistent with research conducted by Indraswari and Astika (2014), Sari (2014), and Giannarakis (2014), which states that profitability is a factor that has an influence on the disclosure of Corporate Social Responsibility.

Discussion of H3

The research results show that the leverage variable does not have positive influence on Corporate Social Responsibility disclosure. This result is based on regression analysis where the regression coefficient value is -0.193 and the significance value is 0.54. These calculations reject the third hypothesis that stated leverage has a positive effect on Corporate Social Responsibility disclosure. Leverage is a tool to measure how much a company depends on creditors to finance its activities. Therefore, management of companies with high leverage tends to reduce their Corporate Social Responsibility disclosure. This is due to companies being more focused on meeting their production activities rather than adding costs for disclosure.

Discussion of H4

The results of this study show that the variable of foreign ownership does not have an effect on the disclosure of Corporate Social Responsibility. This is based on the results of the regression test, where the coefficient of regression is 0.305 and the significance value is 0.02. These calculations lead to the acceptance of the fourth hypothesis, which states that foreign ownership has a positive effect on the level of Corporate Social Responsibility disclosure. Foreign ownership is about company that has a global orientation, and the targeted investors are not only domestic but also international. Therefore, the company must show its seriousness in disclosing Corporate Social Responsibility, as foreign stakeholders are among those who take Corporate Social Responsibility disclosure seriously

Conclusions

As formulated in the research focus, this study was conducted to determine the factors that can influence a company's Corporate Social Responsibility disclosure. Based on the analysis results, the following conclusions can be drawn:

Company size has an influence on Corporate Social Responsibility disclosure. This is because larger companies are more highlighted, and larger disclosures are a reduction of political costs as a form of corporate responsibility towards the environment. Thus, the larger the company, the greater it is Corporate Social Responsibility disclosure.

Economic performance, projected with ROA (Return on Assets), significantly influences the disclosure of a company's social responsibility information in Corporate Social Responsibility. Therefore, companies that have high profits are more likely to report higher social responsibility.

Leverage does not have a positive influence on Corporate Social Responsibility (CSR) disclosure. This means that the higher the amount of funds creditors give to the company, the company may not necessarily increase its Corporate Social Responsibility disclosure, especially for mining companies.

Foreign ownership has a positive influence on the level of Corporate Social Responsibility disclosure. This indicates that the higher the number of shares held by foreign parties in the company, the more it encourages the company to make a more comprehensive Corporate Social Responsibility disclosure.

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