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Pengaruh Keberagaman Gender, Independensi Dewan Dan Kepemilikan Istitusional Terhadap Pengungkapan Csr

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ABSTRACT: The Financial Services Authority (OJK) mandates that all business actors submit Annual Reports, Sustainability Reports, and Financial Reports. This Annual Report (POJK No. 29/POJK.04/2016) contains a wealth of information, including a summary of important financial statistics, stock information, company profiles, strong corporate governance, and corporate social responsibility. The internal corporate governance process is largely shaped by the company's board of directors. The board's primary duties include overseeing business operations and managing and monitoring decisions made by managers (Habbash, 2016). The board represents stakeholders in implementing an efficient corporate governance system that enhances transparency, accountability, and oversight in the business. According to Esa and Zahari (2016), the level of action of the board of directors in carrying out these responsibilities determines the effectiveness of corporate governance. In addition, the board of directors plays an important role in the decision-making process, especially in terms of the quantity and quality of corporate social responsibility (CSR) reporting. This study aims to provide empirical evidence on the effect of Gender Diversity on CSR disclosure, Board Independence on CSR disclosure and institutional ownership on CSR disclosure in Indonesian Mining Companies. The research design uses a causal research design and conducts hypothesis testing. The population of this study is mining companies in Indonesia listed on the IDX for the period 2019 to 2021. Sampling was selected based on the purposive sampling method. The results of the study indicate that gender diversity and board independence do not affect CSR disclosure while institutional ownership does affect CSR disclosure..

KEYWORDS: Gender Diversity; Board Independence; Institutional Ownership; CSR.

I. INTRODUCTION

Companies publish CSR information to gain public recognition or to legitimize their commercial practices (Deegan, 2002). The mining business contributed 7.77% and 7.38% to Indonesia's GDP in the second quarter of 2018 and 2019, respectively (Priyanka, 2019). Furthermore, the workforce absorbed in 2017 was 935,753 (Central Bureau of Statistics, 2017). On the other hand, industry players continue to feel the negative impacts of excessive use of mining and natural resources. According to the Ministry of Environment and Forestry, eleven mining companies were found guilty of environmental damage in 2017-2018 and were subject to various penalties (Amelia, 2019). It is stated that a company must not only serve the interests of its internal stakeholders, but must also pay attention to the environment and community interests.CSR disclosure is regulated in Law of the Republic of Indonesia No. 40 of 2007, Article 66, and paragraph 2 C concerning Limited Liability Companies, which explains the obligation of directors to disclose CSR in annual reports. Although this regulation has been in effect for 12 years, most companies in Indonesia still do not realize the importance of CSR. CSR disclosure in annual reports is still lacking because there are no clear standards that explain the disclosure of CSR information in detail, so that the form and substance of CSR reports vary. According to Jain et al. (2015), there are no specific laws and regulations regarding CSR reporting in Asia Pacific countries. CSR disclosure in annual reports is still lacking because there are no clear standards that explain the disclosure of CSR information in detail, so that the form and substance of CSR reports vary. According to Jain et al. (2015), there are no specific laws and regulations regarding CSR reporting in Asia Pacific countries.

Board diversity, especially gender diversity on boards, has attracted much attention from regulatory organizations around the world and continues to be an issue. Improving gender balance on corporate boards is a goal shared by many countries. According to Rao and Tilt (2016), Australian public companies are mandated to disclose information on gender diversity in their senior management and boards. Additionally, under French law, the number of female directors on boards must be equal to 50% (Bøhren and Strøm, 2010). Female directors can improve board diversity in a way that is consistent with the assumptions of social role theory. According to social role theory (Eagly, 2009), men and women play different roles in society, and there are gender-based expectations depending on the roles they play. Women are considered more communal, such as altruistic, caring, and emotionally expressive, while men are considered more agentic, such as competitive and dominant (Eagly, 2009). Cruz et al. (2018) proposed resource dependency theory to describe how women contribute diverse and non-traditional professional backgrounds and experiences. This view is reinforced by Singh et al. (2008), who argue that these diverse experiences and perspectives enhance decision-making and enable boards to carry out their duties more effectively. Rodrigues et.al (2017) stated that boards with greater gender diversity among their members showed a greater tendency to disseminate more relevant and reliable information and enable stakeholders to know their commitment to sustainability (Giannarakis et al., 2014).

The structure of the board of directors, especially in terms of gender diversity, appears to be a key factor in strengthening and encouraging transparency in CSR. The entire operation of the company is more complex and has a greater impact on stakeholders, large organizations become more responsible in conveying information. Stakeholder support is needed for the company to continue to operate and survive. Corporations will provide information more widely in order to gain support from stakeholders, so institutional ownership also has a strategic role in efforts to provide and convey broader information because institutions have an interest in the sustainability of an entity they own. According to legitimacy theory, larger companies must pay more to achieve legitimacy because they are under greater pressure than small companies to disclose information (Sembiring, 2005). Research by Nawaiseh et al. (2015), Waluyo (2017), and Hu et al. (2016) showed the same results which said that size has a significant effect on CSR disclosure. This research is important for companies, to provide material in policy making to improve the performance of CSR disclosure and be able to compete in the market.

II. THEORY

Legitimacy Theory : Legitimacy refers to the bias of individuals or organizations that are sensitive to the surrounding environmental situation by emphasizing relationships with the community to ensure operational effectiveness. These actions comply with the standards and regulatory systems established in the surrounding environment (Mousa & Hassan, 2015). By considering that the company's business activities can be legitimate and sustainable. without paying attention to the rules of the surrounding community. According to legitimacy theory, companies must create and communicate CSR programs in such a way that the community accepts and believes in the company's presence. Healthy. This is because the activities of a corporation can be influenced by the community in 2020 (Novitasari & Bernawati). Likewise, according to Kotler and Lee (2005), companies that follow related regulations and standards will do so.

Stakeholders are individuals or groups of individuals who have an interest in the company's operations and choices. Management must identify its stakeholders, which include employees, the general public, investors, creditors, consumers, and shareholders (Carroll, 1991). Companies that operate, according to Nguyen et al. (2020), not only aim for profitability but must also consider the interests of stakeholders. The implementation and disclosure of CSR can utilize the media to communicate CSR actions to management and other stakeholders. Thus, stakeholders will assess that the implementation of CSR can support business processes.

1. Gender Diversity Affects CSR Disclosure : Female leaders gain attention through communication skills and building relationships with their subordinates. Therefore, female leaders will leave a good impression and recall the good behavior and traits of previous leaders, which will result in better performance. Corporate boards with diverse directors are more likely to increase control and monitoring of managers in the company and improve disclosure practices to manage the interests of various shareholder groups (Liao et al., 2016). Such a board structure is expected to be more likely to engage in CSR activities and reporting (Bear et al., 2010; Liao et al., 2016). This is because CSR reporting is an important communication instrument that can convey voluntary information, increase corporate transparency, and facilitate better engagement with all stakeholders.
Hypothesis 1: Gender diversity influences CSR disclosure.

2. Board Independence Affects CSR Disclosure : Board independence is the proportion of independent directors on the board of directors. They are appointed by the company to advise and supervise the company's managerial decisions (Pham & Tran, 2019). Yekini et al. (2015), independent directors perform an important function in the company because they can provide valuable information and experience that can enhance the company's contribution to community development and maintain good relations with various groups in society. In addition, because they are independent, they are in a better position to protect the company from wrongdoing and provide advice on information that should be disclosed to ensure the protection of the interests of all stakeholders (Rashid & Hossain, 2021). In other words, board independence reduces conflicts of interest in the organization.

Hypothesis 2: Board independence affect CSR disclosure.

3. Institutional Ownership Affects CSR Disclosure : Fadli et.al (2022) Institutional ownership has an insignificant and negligible effect on the extent of CSR reporting. This finding provides insight into how ownership structure affects CSR reporting. The main corporate governance mechanism is the company's ownership structure because it has been shown to affect the quality of reporting practices and the level of disclosure (Kiliç et al., 2015). However, the company's ownership structure can increase the legitimacy gap because different types of ownership can have different influences on decisions, strategies, policies, and different levels of disclosure (Haniffa & Cooke, 2005). In addition, the company's ownership structure is thought to influence the extent of CSR involvement (Khan et al., 2013)
Hypothesis 3: Institutional ownership influences CSR disclosure.

3. Research Methods: This type of research is causality using the population is a mining company. The analysis was carried out using linear regression analysis with the following equation:

$$Y= C + \beta X1+ \beta X2 + \beta X3 + \varepsilon$$

Furthermore, testing of the hypothesis that has been built is also carried out. The analysis process is carried out using the SPSS program. Before the linear regression analysis is carried out, a prerequisite test or classical assumption test is first carried out.

III. RESULTS AND DISCUSSION

Based on the data that has been collected, a prerequisite test or classical assumption test is carried out. If the test is fulfilled, a multiple linear regression analysis is then carried out using the SPSS Version 25 program. The output produced by using this program can be stated as follows.:

Tabel 2: Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIP
1	(Constant)	37.629	5.382		6.992	.000		
	Direksi Perempuan	.388	.233	.179	1.668	.099	.906	1.103
	Independensi Dewan	-.133	.131	-.108	-1.012	.314	.916	1.092
	Kepemilikan Institusional	.276	.085	.335	3.225	.002	.966	1.036

a. Dependent Variable: CSR

From table 2, the regression equation can be formulated as follows:

$$Y = 37{,}629 + 0{,}179X1 – 0{,}108X2 +0{,}335$$

The equation illustrates that without the characteristics of female directors, board independence and institutional ownership, CSR disclosure is carried out by 37.629%. Furthermore, every 1% increase in the number of female directors will increase CSR disclosure by 0.17%. Every 1% decrease in board independence will increase CSR disclosure by 0.108%. Every 1% increase in institutional ownership will increase CSR disclosure by 0.335%. Based on the SPSS output results, it shows that the significance value of female directors is 0.099, which is greater than 0.05, meaning that female directors have no effect on CSR disclosure and that means that the first hypothesis proposed is rejected. Then the significance value of board independence is 0.314, which is greater than 0.05, it can be stated that board independence has no effect on CSR disclosure, while the SPSS output results for institutional ownership are 0.002, which is less than 0.05, meaning that institutional ownership has an effect on CSR disclosure, meaning that the third hypothesis proposed is accepted.
The next output from the calculations carried out can be seen in table 3 below.:

Tabel 3: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6380.493	3	2126.831	3.944	.011[b]
	Residual	45299.307	84	539.277		
	Total	51679.800	87			

a. Dependent Variable: CSR

b. Predictors: (Constant), Kepemilikan Institusional, Independensi Dewan, Direksi Perempuan

Based on table 3, Anova shows that the Adjusted R Square value is very small, namely 0.092 or less than 1% as seen in table 4.

Tabel 4: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.351[a]	.123	.092	23.22235	.123	3.944	3	84	.011	.932

a. Predictors: (Constant), Kepemilikan Institusional, Independensi Dewan, Direksi Perempuan

b. Dependent Variable: CSR

From the results that have been presented, it can be stated that the first hypothesis of gender diversity in this case female directors has no effect on CSR disclosure, if we look at the existing raw data that in mining companies, female directors are still fewer than male directors or in other words that the percentage of gender diversity is small. Female directors can increase board diversity in a way that is in accordance with the assumptions of social role theory. According to social role theory (Eagly, 2009), men and women play different roles in society, and there are gender-based expectations depending on the roles they play. Women are considered more communal, such as altruistic, caring, and emotionally expressive, while men are considered more agentic, such as competitive and dominating (Eagly, 2009). Corporate boards with diverse directors are more likely to increase control and monitoring of managers in the company and improve disclosure practices to manage the interests of various shareholder groups (Liao et al., 2016). This type of board structure is expected to be more likely to engage in CSR activities and reporting (Bear et al., 2010; Liao et al., 2016).

The second hypothesis also shows that board independence has no effect on CSR disclosure, based on the legitimacy theory that companies must create and communicate CSR programs in such a way that the public accepts and believes in the company's presence. Healthy. This is because the activities of a corporation can be influenced by the public in 2020 (Novitasari & Bernawati). Likewise, according to Kotler and Lee (2005), companies that follow related regulations and standards will do so. The size of the board of directors depends on the number of tasks and responsibilities of the board of directors, as well as the company's goals. The difference in each member of the board of directors makes entities with better resources and performance in material disclosure (Matuszak, Różańska, & Macuda, 2019, p. 82), This shows that it is not board independence that affects CSR disclosure but rather the tasks and performance produced.

The third hypothesis is that institutional ownership affects CSR disclosure. According to legitimacy theory, companies must create and communicate CSR programs in such a way that the public accepts and believes in the company's presence. Healthy. This is because the activities of a corporation can be influenced by the community (Novitasari & Bernawati, 2020). This is in line with research conducted by Fadli et.al (2022) Institutional ownership has an influence on CSR reporting

IV. CONCLUSION

Based on the analysis and discussion conducted, it can be concluded that gender diversity in this study is female directors and board independence does not affect CSR disclosure, but institutional ownership affects CSR disclosure. Some suggestions related to the results of this study are that in subsequent studies it is necessary to look at other reviews in relation to gender diversity and board independence. Where the characteristics of mining companies may have something special compared to other industries, besides that other factors besides gender diversity, board independence and institutional ownership need to be studied considering that in this study the three variables have very little influence on CSR disclosure.

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