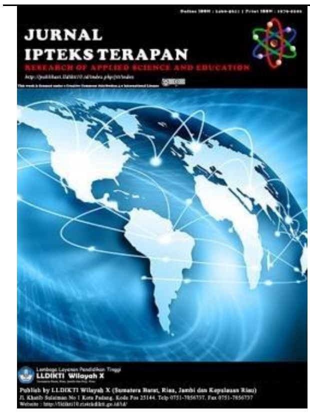

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THE INFLUENCE OF COMPANY SIZE, LEVERAGE, INSTITUTIONAL OWNERSHIP AND BOARD OF COMMISSIONERS SIZE ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE

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Abstract

Background : This study aims to examine the impact of firm size, leverage, institutional ownership and the size of the board of commissioners on the disclosure of corporate social responsibility, both partially and simultaneously. The issue of Corporate Social Responsibility disclosure is related to the description of the relationship between the corporation and various stakeholders, as well as the environment. The company's relationship with the community is not only measured by how much people use the products and services produced by the company, but what is more important is how much the company provides benefits to the community and the surrounding environment. The population in this study has all manufacturing companies listed on the Indonesia Stock Exchange for the 2016 - 2020 period as many as 177 companies and their samples with a total of 360 units of analysis. **Method :** The research method applies multiple linear regression analysis techniques. The result of this research is that the variable of company size and institutional ownership partially has no impact on the disclosure of corporate social responsibility. **Result:** The variable of leverage and the size of the board of commissioners partially have an impact on the disclosure of corporate social responsibility. **Conclusion :** The variables of the influence of firm size, leverage, institutional ownership and the size of the board of commissioners simultaneously have an impact on the disclosure of corporate social responsibility.

Keywords: Company Size, Leverage, Institutional Ownership, Board of Commissioners Size, Disclosure of Corporate Social Responsibility

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INTRODUCTION

Today's increasingly rapid business development requires manufacturing companies to compete in maintaining their business, so that at the same time manufacturing companies are competing to provide information about all their company's activities[1][2][3]. Information is a basic need for investors and potential investors for decision making. The existence of complete and accurate information can help investors to make the right decisions so that the results are as expected. Disclosure of Corporate Social Responsibility is not new in the business world, this issue continues to grow along with the company's operations. If the company used to focus on the financial aspect, now the company is also required to be responsible for the community and the surrounding environment[4][5][6].

Institutional ownership is the ownership of company shares which are majority owned by the company. Institutional ownership is the largest shareholder so that it becomes a means to monitor management. A high level of disclosure of Corporate Social Responsibility will attract investors, especially institutional investors. Institutional ownership has an important role in minimizing agency conflicts that occur between managers and shareholders. The existence of institutional investors is considered capable of being an effective supervisory mechanism in every decision making,so it is not easy to trust earnings manipulation. From the above background, the authors are interested in reviewing these variables with the title of the research entitled The Effect of Firm Size, Leverage, Institutional Ownership and Board of Commissioners Size on Corporate Social Responsibility Disclosures[7][8]

RESEARCH METHODOLOGY

Research methods

This research is a causal research, namely research that aims to determine the relationship and influence between two or more variables. This study is a manufacturing company listed on the Indonesia Stock Exchange or commonly known as BEI. Usually this research is carried out by taking financial data of companies that have been listed on the Indonesia Stock Exchange or BEI through the website www.idx.co..id[9].

Population and Sample

The population is a generalization area consisting of objects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population of this study is 177 manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period[10]. The sample is part of the number and characteristics possessed by the population used for research[11][12].

The sampling technique used by the researcher is purposive sampling technique. Purposive Sampling, namely the selection of samples based on certain criteria set by the researcher. The following criteria are used by researchers in sampling:

1. Manufacturing companies that do not publish complete financial statements for the 2016-2020 period.
2. Manufacturing companies that do not use Rupiah from 2016-2020.
3. Manufacturing companies that do not disclose Corporate Social Responsibility for the 2016-2020 period.

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4. Manufacturing companies that publish complete financial reports for the period 2016-2020

Data Collection Techniques

The data collection technique used by the researcher is the documentation method. The documentation method is used as the basis for analyzing the data. In this case the documentation is in the form of books and financial reports.

Type. and .Source of .Research Data

The type of data used in this study is secondary data, secondary data is the type of data obtained indirectly published on the Indonesia Stock Exchange, financial reports, reference journals, books, and scientific literature related to company size, Leverage, Institutional Ownership, Board Size Commissioner and Disclosure of Corporate Social Responsibility. The data source is the official website of the Indonesia Stock Exchange (IDX) at www.idx.co..id.

Research Data Analysis Model

Multiple Linear Regression Analysis was used to examine the factors that influence the independent variables on the dependent variable. Where the independent variable used in this study is more than one variable. The regression model used is multiple linear regression with the formula:

$$\mathbf{Y = a + b1.X1 + b2.X2 + b3.X3 + b4.X4. + e}$$

Information :

Y = Disclosure of Corporate Social Responsibility

b1,. b4 =. Regression coefficient

a = Constant

X1 = Company Size.

X2 = Leverage

X3 = Institutional Ownership

X4 .= Board of Commissioners Size

e = Confounding variable

The t test is used to test the effect of each independent variable partially on the dependent variable. This test can be done by comparing t.count with ttable or by looking at the significance column in each tcount. The t-test criteria are as follows:

H0 is accepted if -tcount tcount ttable and significant > 0.05 Ham is accepted if -tcount< -ttable or tcount> ttable and significant <0.05.

II.7. 3 Simultaneous Significance Test (F Test)

The F test shows whether all the independent variables included in the model have a joint effect on the dependent variable. The significance test was carried out using a significance level of 0.05. From the results of the F test, the statistical significance value of F was 0.000. This shows that the statistical value of F < .05 so that it can be concluded that the size of the board of commissioners, leverage, profitability, size of the company (size), institutional ownership, and public share ownership have a simultaneous effect on the disclosure of corporate social responsibility.

RESULT AND DISCUSSION

Classical Assumption Test

Normality Test

The easiest way to understand residual normality is to observe the histogram graph which compares the observed data with a distribution close to the normal distribution. The results of the normality test observed in the histogram graph are:

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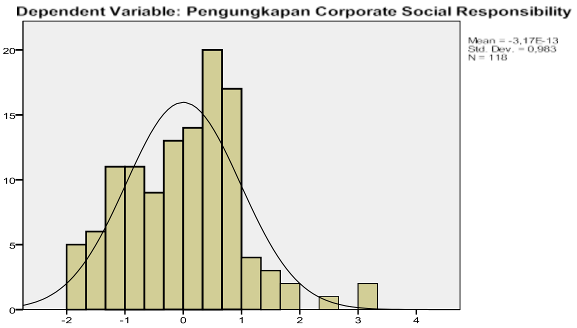

Figure 1. Histogram

The figure proves that the histogram diagram shows high beams based on the pattern of curved lines making mounds, thus the histogram diagram gives a normal data distribution.
The results of the Normal P-P Plot graph are:

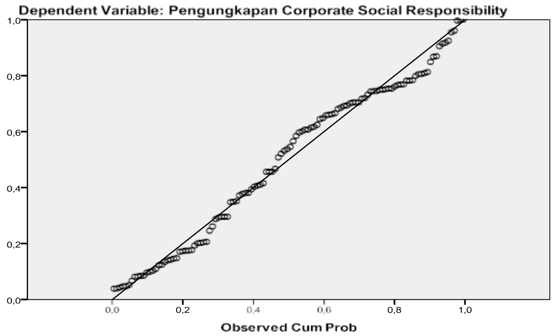

Figure 2. P-Plot Graph

The figure proves that the distribution of the points around the diagonal line and its distribution is close to the diagonal line so that it can be concluded that the distribution is normal.

Statistics test
The statistical normality test can use the K-S non-parametric statistical test, the criteria for testing are:
1. If sig < 0.05, then the data does not give a normal distribution.
2. If sig > 0.05, then the data gives a normal distribution.

The results of the normality test using the Kolmogorov-Smirnov model are:

Multicollinearity Test
This test can be known t from the tolerance number and VIF If a low tolerance score = high VIF score (because VIF = 1/tolerance) is used to prove the occurrence of multicollinearity, namely the tolerance score > 0.10 or the same as the VIF score < 10. The results of this test the independent variables in this study are:

Heteroscedasticity Test
This test is carried out to see the difference in the residual variance from one observation period to another observation period. There are various ways to determine whether there is heteroscedasticity. A scatterplot image to examine whether there is heteroscedasticity or homoscedasticity occurs by looking at the spread of dots.

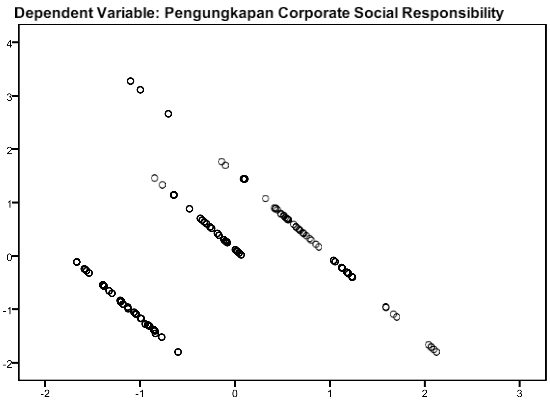

Figure 3. Scatterplot

Figure 3 shows that the scatterplot graph shows that the distribution of p points randomly creates a certain pattern and the spread is both above and below 0 on the Y axis. Whether or not heteroscedasticity occurs can be observed from the probability of its significance, if the significance number is more than the 5% confidence level, it can be concluded that there is no heteroscedasticity.

The effect of firm size, leverage, institutional ownership and the size of the board of commissioners on the disclosure of corporate social responsibility are:

Y = 0.803.+ 0.000 firm size-0.009 leverage + 0.007 institutional ownership+0.010 board size

The coefficients in the multiple linear regression equation are:
a. Constant value (a) of 0.803 units means company size, leverage, institutional ownership and the size of the board of commissioners to the disclosure of corporate social responsibility of 0.803 units.
b. The regression coefficient of the firm size variable (b1) is 0.000 units. This proves that an increase in one unit of company size will cause an increase in corporate social responsibility disclosure by 0.051 units.
c. The regression coefficient of the leverage variable (b2) is -0.009.unit. .It proves .that .an increase of one unit of leverage.. will.. cause .decrease in disclosure corporate social responsibility .0.009 .unit.
d. The regression coefficient of institutional ownership variable (b3) is .0.007.units. This proves that an increase of one unit of institutional ownership will cause an increase of 0.007 units.
e. The regression coefficient of .variable size of .board of .commissioners(b4) .is .0.010 units. This proves that an increase in the size of the board of commissioners will lead to an increase in the size of the company, the leverage, the institutional ownership and the board size.

.commissioner .to .disclosure .corporate .social .responsibility.in the amount of .0.010.unit.

Partial Hypothesis Testing (t-test)

a. Firm size variable with a significant value of 0.776> 0.05 or a value of - 0.285 <1.97190, the firm size partially has no effect on the disclosure of corporate social responsibility.
b. Leverage variable with a significant value of 0.001 < 0.05 or a value of -3.504> 1.97190 then leverage partially affects the disclosure of corporate social responsibility.
c. The institutional ownership variable with a value of 0.135 > 0.05 or a value of 0.135 < 1.97190, partially institutional ownership has no effect on the disclosure of corporate social responsibility.
d. The variable size of the board of commissioners with a significant value of 0.000> 0.05 or 21.442> 1.97190, the size of the board of commissioners partially affects the disclosure of corporate social responsibility.
The results of this study .proved .that .company size .partially .no .influence .to .disclosure .corporate .social .responsibility..this .this .can .can is known .of .value .significant .0.776.>.0.05 .or .value .-0.285 .<.1.97190.

The results of this research are not in line with the theory of Hery.(2016.:235).reveal .that .size .company .is .variable .to .measurehow .big .or small .company .according to .various .way .among .other .to .total .assets, .value .market .stock and others. .Company size The results of .research. revealed .that .company size .influenced .positively .on .CSR.

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The results of this research are not in line with the research results Kardiyanti and Dwirandra.(2020).revealed .that..company size .have .positive .and .significant direction.to .ability .company .implementing .CSR..Conclusion .of .research .this .is .size .company .partial .noinfluence .to .disclosure .corporate .social .responsibility.

The Effect of Institutional Ownership on Corporate Social Responsibility Disclosure

The results of this study prove that institutional ownership partially does not affect the disclosure of corporate social responsibility. This can be seen from the value of 0.135 .> 0.05 or the value of 0.135 < 1.97190.

The results of this study are not in line with Tarjo's theory (2015:20) which reveals that institutional ownership is ownership of company shares owned by institutions or institutions such as insurance companies, banks, investment companies, and other institutional ownership.

The results of this study are not in line with the research of Kusumawati, Fidziah and Ani (2018) which shows that institutional ownership has a significant partial effect on the disclosure of corporate social responsibility in companies. The results of this study are not in line with the research of Annisa and Nera (2019) which shows that institutional ownership has a negative effect on the disclosure of corporate social responsibility.

The conclusion of this study is that institutional ownership partially does not affect the disclosure of corporate social responsibility.

Influence of Board of Commissioners Size on Corporate Social Responsibility Disclosure

The results of this study prove that the size of the board of commissioners partially affects the disclosure of corporate social responsibility. This can be seen from the significant value of 0.000 > 0.05 or 21.442 > 1.97190.

The results of this study are not in line with Hery (2016: 180) which states that the higher the activity of a company, the net profit generated will increase so that the company can use these assets to increase sales which affect revenue. The increase in revenue can increase net profit so that the company's profit growth also increases.

The conclusion of this study is that the size of the board of commissioners partially affects the disclosure of corporate social responsibility.

The Influence of Company Size, Leverage, Institutional Ownership and Board of Commissioners Size on Corporate Social Responsibility Disclosure

The results of this study prove that the effect of firm size, leverage, institutional ownership and the size of the board of commissioners simultaneously on the disclosure of corporate social responsibility. This can be seen from 166.341 > 2.41 with a significance of .0.000 <0.05.

The result of the coefficient of determination test is that the adjusted R Square is 0.648, so the effect of firm size, leverage, institutional ownership and board of commissioners on corporate social responsibility disclosure is 64.80% while the remaining 35.20% is influenced by other

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factors that not examined in this study such as stock returns.

CONCLUSIONS AND SUGGESTIONS

Conclusion

1. The company size variable partially has no effect on the disclosure of corporate social responsibility. This can be seen from a significant value of 0.776 > 0.05 or a value of -0.285 < 1.97190.
2. The leverage variable partially affects the disclosure of corporate social responsibility. This can be seen from the significant value of 0.001 < 0.05 or the value of -3.504 > 1.97190.
3. The institutional ownership variable partially has no effect on the disclosure of corporate social responsibility. This can be seen from the value 0.135 > 0.05 or the value 0.135 < 1.97190
4. The variable size of the board of commissioners partially affects the disclosure of corporate social responsibility. This can be seen from a significant value of 0.000 > 0.05 or 21.442 > 1.97190.
5. The variables of the effect of firm size, leverage, institutional ownership and the size of the board of commissioners simultaneously on the disclosure of corporate social responsibility. This can be seen from 166.341 > 2.41 with a significance of 0.000 < 0.05.

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