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The Role of Environmental Performance in The Effect of Managerial Ownership, Independent Board of Commissioners, and Social Costs on Corporate Social Responsibility Disclosure

Nitya Sukhani[1], Hanif Hanif[2]
Institut Bisnis dan Informatika Kwik Kian Gie[1,2]
Jl. Yos Sudarso Kav 85 No.87, 14350, Jakarta, Indonesia
Correspondence Email: 38190170@student.kwikkiangie.ac.id
ORCID ID:0009-0008-0686-8376

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ABSTRACT

Concerning the social and environmental effects of monetary action, corporate social responsibility disclosure has become a phenomenon. Good corporate governance (GCG), which includes managerial ownership, company characteristics like the percentage of independent commissioners, extra costs incurred by the company, and media exposure like environmental performance are some of the variables that affect a company's disclosure. This study's ideas include the signaling theory. According to the signaling theory, businesses want to lessen the information gaps between them and their stakeholders by being transparent about the social activities they support and engage in. The manufacturing companies that took part in PROPER and are registered on IDX in 2019-2021 are the subject of this study. Purposive sampling was the technique that was employed. There are 30 companies that meet the requirements, and a total of 90 companies were obtained. The SPSS 26 program and Warp PLS 7.0 were used to perform the data analysis techniques, including the comparison of coefficients (pooling), outer model test and inner model test. This hypothetical result demonstrated that only environmental performance has a positive and significant effect on corporate social responsibility disclosure, proving the need for the government to enact regulations requiring companies to take part in PROPER.

Keywords: Corporate Social Responsibility Disclosure, Environmental Performance, Independent Board of Commissioners, Managerial Ownership, Social Costs

INTRODUCTION

The start of the industrial revolution in Indonesia has had a significant effect on both the environment and society. The quality of living for people has increased because of the industrial revolution. However, the industrial revolution also brought about a great deal of societal and environmental harm, including air pollution, factory waste, and overuse of Indonesia's natural resources. That has been tested several times involving Indonesian corporations that have not noted corporate Social responsibility Disclosure (CSRD). According to Welbeck, Matthew, Owusu, Bekoe, and Kusi (2017), growing concern over the detrimental impact of commercial activities on the environment has led to an increase in research on environmental disclosure concerns. For instance, on May 29, 2006, PT. Lapindo Brantas at Sidoarjo East Java was the site of a case concerning environmental harm brought on by the company's operations. The corporation was shut down at the end of the year due to excessive damage that greatly upset the public. Additionally, there were unfavorable effects of mining operations in the Papua region, such as the erosion of leftover rocks which led to several accidents. These effects were a result of PT Freeport's mining activities carried out in Papua. Businesses in underdeveloped nations purpose of maximizing income even by giving much less interest to CSR initiatives that promote the surroundings due to the fact economic situations there are normally damaging (Ataniyazova, Friedman, & Kiran, 2022).

To define corporate self-regulation incorporated into a business model that includes the many dimensions of corporate activities, the term Corporate Social Responsibility (CSR) was created (Perrini & Tencati, 2006). Various meanings of CSR have been put forth in the literature. According to Matten and Crane (2006), CSR accepts the obligations to be financially successful, to follow the law, to be charitable, and to uphold one's moral obligations to society. A wide range of competitive advantages, including higher profits, easier access to money and markets, improved firm name and brand image, greater customer loyalty, and many more, can be brought about by CSR for the company. Some sceptics contend that a substantial redefinition of corporate functions could be harmful to the firm's financial stability (Walley & Whitehead, 1994).

Stakeholders need information on corporate social responsibility because, with this crucial piece of knowledge, they can use the information revealed to assess whether the company is deserving of their business. Similar to how customers can completely satisfy their preferences when engaging with a business, such as when they buy a product or accept a job offer, social disclosure can help with the efficient allocation of resources. Increased corporate transparency on social issues can help the public hold corporates responsible on a larger scale. People frequently have expectations of the company that goes beyond purely financial objectives, but without additional information that is probably only accessible from the company itself, it may be difficult for them to determine whether the company lives up to these expectations. Social disclosure is thus a tool for public scrutiny of corporate behavior and a guarantee of public confidence in the company.

The vast majority of corporates are profit-driven, and profit-driven corporates have just one primary objective: maximizing earnings for the Corporate. As a result, the business will make an effort to prevent situations that could lower its profits. A corporate will also take out all elements that have nothing to do with the company's ability to generate profit. These considerations span a wide range of topics, such as public safety, environmental harm brought on by businesses' operations, labor, global warming, and much more. Natural resources are still a top priority in Indonesia when it comes to providing for the requirements of the community's members, so in this case, arrangements for resource management are a top concern. Given that not all Indonesians depend on farmland and the service sector for their livelihood, good governance is crucial in this country. For the majority of them, the continuation of human life still significantly depends on the availability of natural resources (Rudito & Famiola, 2019).

In 1930, there were widespread public protests against corporate practices that had no respect for the local community, which gave rise to the idea of CSR. Only corporates are given access to all information, and there has also been a severe global recession that has led to numerous business failures and skyrocketing unemployment rates. Companies in this period faced a global shortage of capital for their manufacturing inputs. As a result of being forced to cease working, many people became unemployed. When businesses were irresponsible and demonstrated no moral obligation to care for their employees, the public became outraged. According to Carrera (2022), the following era of CSR has the ability to be a useful tool in nearby and worldwide environmental and social governance because it is firmly targeted at internalizing enterprise negative externalities. But, a loss of path, clarity, and voluntarism has resulted in the selection of duties at random as opposed to in response to network needs (Tamvada, 2020).

Content analysis is typically the technique used to gauge CSR success. The technique transforms qualitative data into quantifiable data so that statistical analysis can be done on it. Information standards from the Global Reporting Initiative Sustainability Reporting Guidelines are required for this measurement. 73% of the 250 largest corporates in the world use the GRI Index, which is one of the most well-liked CSR metrics. In 2000, GRI version 1 (also known as GRI G1) was released, and several nations, including Indonesia, started to implement it. Aniktia and Khafid's (2015) research on companies listed on the IDX showed that only 11.4% carried out CSRD through the firm’s sustainability reports.

There has been a thorough evaluation of the research on different social and environmental responsibility disclosures. Good corporate governance is one of many elements that affect a company’s transparency. Referencing Fitriasari 2023), CSR is inseparable from Good Corporate Governance (GCG). Sutedi (2009) asserts that GCG (Good Corporate Governance) is a concept that corporates use to increase their value, boost their contributions and performance, and ensure their long-term viability.

Managerial ownership significantly improves the disclosure of Corporate Social Responsibility disclosure. This assertion is supported by Agashi (2017), which claims that managerial ownership has a favorable and significant impact on CSR disclosure. Accordingly, the study finds that the more managerial ownership a company has, the more motivated it is to disclose its Corporate Social Responsibility activities. The findings of Ningrum (2015) demonstrate that managerial ownership has no bearing on the disclosure of corporate social responsibility in industrial firms listed on the Indonesia Stock Exchange between 2011 and 2013.

Independent commissioners often play a role in monitoring the activities carried out by the management. One of these activities is CSR activities. The findings of Trie, Puspa, Chomsatu, and Siddi (2021) demonstrate that independent commissioners have an impact on Corporate Social Responsibility disclosure and firm value.

Social costs are generally related to employment, consumers and the products or services produced, society, and the environment around the company. Disclosure of these social costs is carried out in financial statements or annual reports. The findings of Indah (2014) show that societal costs have an indirect impact on corporate social responsibility disclosure.

A company’s environmental performance is poor if its operations cause a high amount of environmental harm, and vice versa. Amrulloh, Sulastri, and Firmansyah (2020) stated that society and the environment could not be separated from the existence of a company, so one of the most important elements that must be revealed is its environmental performance. Owners are required to provide transparent and impartial reports on the social impact of their business. Using 28 businesses in the non-financial sector as a sample of the study, Artamelia (2021) found that environmental performance had a favorable and significant effect on Corporate Social Responsibility disclosure.

Torrico (2018) states that CSR practice serves as a signal method to achieve legitimacy, get around the risks of being foreign, and get an operating permit. Because of the company's concern for its operations' economic, environmental, and social effects, Corporate Social Responsibility disclosure can signal that the company is superior to others. Since the government has not yet established standards for corporate social responsibility disclosures in yearly reports, there are still a variety of variables that can influence how comprehensive disclosure is. The best financial performance is represented by the corporates listed on the LQ45 index IDX. But what about the corporate social responsibility disclosure aspect? This research aims to investigate how corporate characteristics affect the disclosure of corporate social responsibility in companies that are listed on the LQ45 index IDX. In this study, researchers hypothesized that elements like managerial ownership, independent board of commissioners, social costs, and environmental performance could affect a company's corporate social responsibility disclosure.

LITERATURE REVIEW

Corporate Social Responsibility Disclosure

CSR is the idea to introduce to the worldwide South by means of the West, implying that business projects are typically concerned with ethics, fair exertions practices, and training (Gildas & Ntoutoume, 2023). Two definitions can be taken into consideration when we look into corporate social responsibility. On the one hand, any corporate theory that places equal emphasis on revenue obligation and community morality obligation is identified as corporate social responsibility. On the other hand, it is also considered to be a specific interpretation of the duty to advance societal welfare concerns while still maximizing profits. Corporate social responsibility, in keeping with Kotler and Lee (2004), is an organization's dedication to improving the network properly-being thru unbiased enterprise practices and contributions of corporate sources. A firm should absolutely receive duty for the effects of its commercial enterprise activities on the community and the environment in which it operates, consistent with the definition of CSR.

According to Kartini (2013), the definition of Corporate Social Responsibility Disclosure is a way of providing information and accountability from companies to stakeholders. It expands the company's responsibilities beyond its traditional role of providing financial reporting to capital owners, especially shareholders. This expansion assumes that the company has broader responsibilities than just pursuing the interests of its shareholders. The term "Corporate Social Responsibility" (CSR) refers to an organization's pledge to take into account how its operations affect the community and the environment (Sunarsih, Dewi, & Kireina, 2019). Sehgal et al. (2020) referred to that CSR facilitates increasing sales of the business and additionally selling, remodelling, and accelerating the enterprise at some point in the world which regularly guides individuals with few or no resources.

Managerial Ownership

In a situation known as managerial ownership, the manager simultaneously serves as the company's owner and also holds shares of the business. When managerial proprietorship is considered in light of the agency theory, it takes on an intriguing quality. Because the management is involved in the company's shareholding structure, managerial ownership is very beneficial to the business. As a result, the manager will work harder to raise the company's value because they will also profit from it.

Esita and Yanto's (2016) earlier study demonstrates that managerial ownership has a favorable effect on environmental performance. As a result, managers who are also shareholders in a company tend to make decisions based on increasing firm value to benefit themselves as well as by demonstrating concern for environmental performance. The more shares owned with the aid of managers in a company, the higher environmental overall performance results are located from the agencies.

According to Michaels and Grüning (2018), CSR disclosure is thought to lessen knowledge asymmetry between management and investors. The management is making an effort to meet the information requirements of stakeholders by disclosing the company's social and environmental activities, as stakeholders require both financial and non-financial information. Businesses with managerial ownership are better able to determine what needs to be done by management to please shareholders. According to Suprapti, Fajari, and Anwar (2019), managerial ownership has a positive effect on a company's environmental transparency. Because they feel they own the business, managers who have a larger stake in it will be more concerned with the interests and welfare of shareholders and will take all reasonable steps to disclose the company's environment. In order to fulfill a company's objectives of max corporate value, control by its own managers is thought to have an impact on the business, which in turn has an impact on internal performance (Mappadang, 2021).

H1: Managerial ownership has a positive effect on the company's environmental performance.

H4: Managerial ownership has a positive effect on corporate social responsibility disclosure.

H8: Managerial ownership has a positive effect on corporate social responsibility disclosure through environmental performance.

Independent Board of Commissioners

The monitoring system is always operated efficiently and in compliance with laws and regulations thanks to the independent commissioner's presence within the organization. An independent commissioner is a committee member who has no business or other connections that could compromise their ability to act independently and who is not connected to the board, other committee members, or the controlling shareholders.

Consistent with Dunn and Sainty (2009), independent commissioners have a good impact on overall environmental performance. Consequently, the extra independent commissioners there are, the better the agency's capability to supervise operations, the fewer irregularities are dedicated by agents, and the greater strain there is on management to put into effect environmental performance.

Companies' governance systems and frameworks can serve as a foundation for corporate social responsibility. One metric used to evaluate a company's governance structure in Indonesia is the disclosures made and the effectiveness of the tracking. The findings of the study by Kalsum (2021) demonstrate a favorable relationship between independent commissioners and the disclosure of corporate social responsibility. Therefore, the company's ability to oversee activities related to corporate social responsibility is increased and more information is disclosed with a higher percentage of independent commissioners present in a company.

H2: Independent board of commissioners has a positive effect on the company's environmental performance.

H5: Independent board of commissioners has a positive effect on corporate social responsibility disclosure.

H9: Independent board of commissioners has a positive effect on corporate social responsibility disclosure through environmental performance.

Social Cost

Environmental costs, product costs, employee costs, and community costs are all examples of social costs, which also include costs linked to social accounting. Therefore, it can be said that the price of employee benefits can influence employee productivity, raise work satisfaction, and affect the organization’s ability to generate income.

According to research by Januarti (2005), businesses with higher social expenses will have a positive impact on their relationships with the local community and perform better in terms of the environment.

The relationship between societal prices and company social and environmental disclosures are defined by using the legitimacy theory. When a company’s attempts to uphold the social contract it has with its community necessitate social costs that it incurs in order to engage in social activities, those costs are disclosed in the annual report. According to research by Indah (2014), social costs have a positive impact on the disclosure of corporate social responsibility, so it can be deduced that the greater the allocation of social costs, the wider the disclosure of corporate social responsibility because the company believes that by spending money to finance social activities and care for the environment in order to improve its reputation, the company has made significant sacrifices.

H3: Social cost has a positive effect on the company’s environmental performance.

H6: Social cost has a positive effect on corporate social responsibility disclosure.

H10: Social cost has a positive effect on corporate social responsibility disclosure through environmental performance.

Environmental Performance

According to Bahri (2016), the ability of a business to create a healthy environment is referred to as its environmental performance. The Ministry of Environment and Forestry has been contracted to implement the Company Performance Rating Assessment Program (PROPER), which demonstrates how essential the Indonesian government views environmental performance. Government strategy is known as PROPER, aims to enhance a company’s environmental management performance in accordance with the rules and laws that have been established. PROPER is an example of Indonesia’s environmental management system being transparent and democratic.

According to Berry (1998), cutting-edge businesses now view environmental performance as a tool to create new business policies, react to stakeholder and government policies, and contribute ethical value to society. This helps them stay competitive in the global market. According to Setyaningsi's (2014) research, environmental performance positively impacts corporate social responsibility because organizations that perform well in this area tend to reveal more CSR-related activities in their annual reports. An organization’s concern for its environmental performance indicates that its corporate duties have been properly carried out.

H7: Environmental performance has a positive effect on corporate social responsibility disclosure.

RESEARCH METHOD

The manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2021 period served as the sample for this study, which was selected using the purposive sampling technique. Consequently, 30 of its 222 manufacturing firms can be used as samples. The following criteria were used to select the sample:

a. Manufacturing corporations indexed at the Indonesia Stock Exchange (IDX) that have issued annual reviews and become participants within 2019-2021.
b. Manufacturing companies report the costs incurred to carry out social activities and show concern for the environment and society.
c. Manufacturing companies that have complete data on research variables that can be further analyzed.

Corporate social responsibility disclosure was the dependent variable in this study, while the independent variables consisted of managerial ownership, independent board of commissioners, and social costs and environmental performance acted as an intervening variable to analyze its influence over the relationship of the independent variables towards the dependent variable us in this study.

RESULTS

Table 1. Pooling Tests Results Model I

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.419	.315		10.840	.000
MO	-.111	.203	-.109	-.546	.587
BC	-.212	.535	-.059	-.396	.693
SC	.112	.180	.079	.624	.534
D1	-.231	.455	-.215	-.507	.613
D2	-.082	.249	-.076	-.329	.743
D1MO	.146	.286	.110	.509	.613
D1BC	.204	.866	.090	.235	.815
D1SC	.034	.266	.016	.129	.897
D2MO	.104	.295	.078	.352	.726
D2BC	-.184	.408	-.068	-.451	.653
D2SC	.003	.024	.016	.134	.894

a. Dependent Variable: EP
Source: Secondary data processed using SPSS

Table 2. Pooling Tests Results Model II

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.682	.154		4.431	.000
MO	-.115	.043	-.453	-2.710	.008
BC	-.038	.112	-.042	-.336	.738
SC	.054	.038	.151	1.430	.157
EP	.013	.039	.053	.341	.734
D1	-.331	.215	-1.239	-1.554	.124
D2	-.142	.203	-.529	-.700	.486
D1MO	.001	.060	.002	.014	.989
D1BC	.060	.180	.105	.332	.741
D1SC	-.076	.055	-.141	-1.375	.173
D1EP	.076	.057	.927	1.328	.188
D2MO	-.016	.062	-.048	-.258	.797
D2BC	-.039	.087	-.059	-.454	.651
D2SC	-7.770E-5	.005	-.002	-.016	.988
D2EP	.031	.058	.377	.531	.597

a. Dependent Variable: CSRD
Source: Secondary data processed using SPSS

The pooling test is carried out based on Table 1. and Table 2. against the dependent variable, corporate social responsibility disclosure which shows that all the variables used in this study can be pooled together and data testing can be done simultaneously.

Table 3. Fit Model Test

No	Description	Measurement Results	Measurements
1	APC	P value 0.001≤ 0.05	Model Fit

Source: Secondary data processed using WarpPLS 7.0 (2023)

Table 4. Collinearity Test

No	Description	Measurement Results	Measurements
1	AVIF	1.026 < 3.3	No signs of multicollinearity
2	AFVIF	1.163 < 3.3	No signs of multicollinearity

Source: Secondary data processed using WarpPLS 7.0 (2023)

The outer model test is carried out based on Table 3. and Table 4. which shows that all the variables passed all criteria of a fit model showing no signs of multicollinearity.

Table 5. R Square Test

No	Description	Measurement Results	Results
1	R Square Environmental Performance	0.01 ≤ 0.25	Weak
2	R Square Corporate Social Responsibility Disclosure	0.26 ≤ 0.45	Moderate

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Source: Secondary data processed using WarpPLS 7.0 (2023)

Table 6. Q Square Test

No	Description	Measurement Results	Results
1	Q Square Environmental Performance	0.013 > 0	Predictive Relevance
2	Q Square Corporate Social Responsibility Disclosure	0.276 > 0	Predictive Relevance

Source: Secondary data processed using WarpPLS 7.0 (2023)

Furthermore, Table 5. shows that the independent variables for environmental performance produced a weak model, while the independent variables for corporate social responsibility disclosure produced a moderate model. Table 6. shows that this research model has predictive relevance or has a good observation value.

Figure 1. Inner Model Test Results

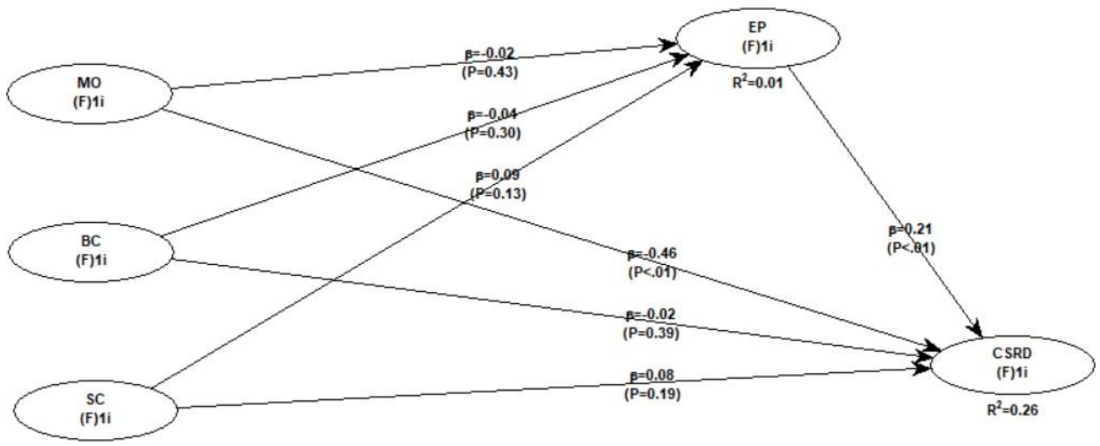

Table 7. Effect Size Test

No	Description	Measurement Results
1	Managerial Ownership – Environmental Performance	0.000 < 0.02
2	Independent Board of Commissioners – Environmental Performance	0.002 < 0.02
3	Social Costs – Environmental Performance	0.008 < 0.02
4	Managerial Ownership – Corporate Social Responsibility Disclosure	0.210 > 0.15
5	Independent Board of Commissioners – Corporate Social Responsibility Disclosure	0.001 < 0.02
6	Social Costs – Corporate Social Responsibility Disclosure	0.008 < 0.02
7	Environmental Performance – Corporate Social Responsibility Disclosure	0.046 > 0.15

Source: Secondary data processed using WarpPLS 7.0 (2023)

Table 8. Path Coefficient Test

No	Hypothesis	Effect	P-Value	Results
1	H1	Managerial Ownership – Environmental Performance	0.428 > 0.1	Rejected
2	H2	Independent Board of Commissioners – Environmental Performance	0.298 > 0.1	Rejected
3	H3	Social Costs – Environmental Performance	0.131 > 0.1	Rejected
4	H4	Managerial Ownership – Corporate Social Responsibility Disclosure	<0.001 < 0.1	Accepted
5	H5	Independent Board of Commissioners – Corporate Social Responsibility Disclosure	0.393 > 0.1	Rejected
6	H6	Social Costs – Corporate Social Responsibility Disclosure	0.194 > 0.1	Rejected
7	H7	Environmental Performance – Corporate Social Responsibility Disclosure	0.003 < 0.1	Accepted

Source: Secondary data processed using WarpPLS 7.0 (2023)

Table 9. Indirect Total Effect

No	Hypothesis	Effect	P-Value	Results
1	H8	MO – EP – CSRD	0.427 > 0.1	Rejected
2	H9	BC – EP – CSRD	0.298 > 0.1	Rejected
3	H10	SC – EP – CSRD	0.145 > 0.1	Rejected

Source: Secondary data processed using WarpPLS 7.0 (2023)

Additionally, Table 7. shows that only managerial ownership and environmental performance have a moderate effect on corporate social responsibility, while the rest of the latent predictor variables shows a very weak effect on environmental performance and corporate social responsibility disclosure. Table 8. shows that only managerial ownership and environmental performance have significant effects on corporate social responsibility disclosure. Meanwhile, Table 9. shows that the intervening variable, environmental performance, was not strong enough to mediate any of the independent variables toward corporate social responsibility disclosure.

DISCUSSION

The significance value of managerial possession is 0.428, which is more than 0.10. Thus, managerial ownership has no significant effect on environmental performance. Therefore, the first hypothesis in this study was rejected. This results in alignment with the studies that have been executed by Ulya (2014); Sihombing and Chariri (2014), which proved empirically that managerial possession does not have the electricity to affect an organization's environmental overall performance because seeing that there may be a low percentage of managerial possession in the enterprise, management does no longer actively take part in decision-making that would make the firm growth, inclusive of through overall environmental performance.

Independent Board of Commissioners showed a significance price of 0.298 which is extra than 0.10. As a result, a statistically impartial board of commissioners has no vast impact on overall environmental performance. Therefore, the second hypothesis on this exam became rejected. The effects of this examination are in line with the research performed by way of (Yesika & Chariri, 2013) that the existence of an independent commissioner is not able to have a full-size effect on environmental performance done by way of the business enterprise. This finding indicates a discrepancy with the agency principle formerly expressed that led to the realization of the better the scale of the independent commissioner, the better the effectiveness of the oversight performed by using the board of commissioners that can result in the improvement of the organization's environmental performance. Amrizal and Rohmah (2017) said that competence is the main issue in decision-making, and academic heritage is considered to enhance the usual commissioner-degree choices regarding CSR initiatives.

The third hypothesis in this look is the impact of social cost on an employer's overall environmental performance. Social cost shows an importance value of 0.131 which is more than 0.10. This indicates that social price has no sizeable impact on overall environmental performance. Consequently, the 0.33 speculation on this was rejected. The outcomes are not in line with research that has been conducted by Pomering and Johnson (2009), which proved that social charges have a positive effect on the environmental performance of an organization and that the more the allocation of an organization's social expenses, the greater it is going to improve the enterprise's environmental performance. This can arise due to the truth in spite of social expenses incurred and mentioned via corporates, those costs can be associated with beyond or future instances of bad environmental satisfaction.

The significance value of managerial possession is <0.001, which is less than 0.10. Thus, statistically, managerial ownership has a significant impact on corporate social responsibility disclosure. However, the coefficient value of managerial ownership was -0.460. Therefore, the fourth hypothesis in this study was rejected. The results of this study are consistent with those of Putra (2017), who found that managerial ownership has a negative impact on corporate environmental disclosure. This means that the size of the managerial position does not affect environmental disclosures. They are both owners and employees, so management must balance the needs of shareholders with those of management. However, the managerial position's percentage within the organization is still relatively limited, so the manager's ownership cannot reconcile the interests of shareholders and managers.

The Independent Board of Commissioners confirmed a significant cost of 0.393 which is greater than 0.10. Thus, statistically, independent board commissioners have no significant impact on corporate social responsibility disclosure. Therefore, the fifth hypothesis in this study was rejected. The results of this study are in line with the studies conducted by Anugerah (2010), which state that the Independence of the Board of Commissioners does not significantly affect CSR disclosure. Many members of the Board of Commissioners do not have the ability and cannot demonstrate their independence or are not truly independent. Therefore, Vethanayagam (as cited in Hashim & Devi, 2008) add that the supervisory function does not work well. Thus, the proportion of independent Board of Commissioners cannot affect the implementation and disclosure of Corporate Social Responsibility (CSR).

The sixth speculation on this examination is the impact of social value on corporate social duty disclosure. Social cost indicates an importance cost of 0.194 which is greater than 0.10. This shows that social price has no vast impact on corporate social duty disclosure. Hence, the sixth hypothesis in this exam turned into rejected. The consequences of this observation no longer help the studies executed by way of Hadi (2017), which has supplied empirical evidence that to grow the legitimacy of stakeholders, agencies want to increase social costs because social charges incurred within the context of imposing their social obligation will motivate organizations to make wider disclosures.

The impact of overall environmental performance on corporate Social responsibility disclosure is found in the seventh speculation. The environmental performance confirmed a significant cost of zero.003 which is less than 0.10. Consequently, overall environmental performance is established to have a substantial impact on company social duty disclosure. It also possesses a coefficient price of 0.208. Therefore, the seventh speculation on this observation became time-honoured. The findings of this study reveal that environmental performance will motivate organizations to reveal their social responsibilities. The enterprise can use its environmental performance as a device to build advantageous relationships with its stakeholders. The effects of the research that has been carried out with the aid of Tunggal and Fachrurrozie (2014) found that the overall environmental performance carried out will have an effect on the volume of company social duty disclosure in the reports they publish.

The intervening impact of environmental performance on the impact of managerial possession on corporate social obligation disclosure is the eighth speculation. The general oblique impact of overall environmental performance on the connection of managerial possession to corporate social responsibility disclosure confirmed an importance value of 0.427 which is extra than 0.10. Therefore, the eight speculations were rejected. The insignificant courting among managerial possession and overall environmental performance is anticipated to be the reason for the incapacity of overall environmental performance to behave as an intervening variable in influencing the relationship of managerial possession to company social responsibility disclosures. Ulya (2020) showed that managerial ownership does not have the electricity to have an effect on an organization's overall environmental performance. But, checking out managerial ownership on company social obligation disclosure in the fourth hypothesis showed large outcomes, indicating that the enterprise nonetheless thinks it is miles necessary to provide facts for users.

The intervening effect of environmental performance on the impact of an unbiased board of commissioners on company social obligation disclosure is the 9th hypothesis. The total indirect impact of environmental performance on the relationship of the unbiased board of commissioners to company social responsibility disclosure showed an importance price of 0.298 which is more than 0.10. The 9th hypothesis in this study is rejected due to the susceptible position of environmental performance as an intervening variable in influencing the relationship of the impartial board of commissioners to corporate social duty disclosure. This is because of the low number of independent commissioners inside the board of commissioners in businesses taken for sampling, the dearth of maximum tracking of overall environmental performance, and different factors outside of the variables in this study. Additionally, the independence of the Board of Commissioners is not green sufficient in overseeing the control to make decisions that can advantage the agency's photo and enhance their environmental performance.

The intervening impact of overall environmental performance at the impact of social costs on corporate social obligation disclosure is the 10th speculation. The general oblique impact of environmental performance on the connection of social prices to company social obligation disclosure shows a significance value of 0.145 which is greater than 0.10. Consequently, the tenth speculation is rejected. This study shows that corporations have found out the importance of creating corporate social obligation disclosures in their efforts to benefit legitimacy from society. The lifestyles of social charges incurred by the employer to finance its environmental activities will have an impact on the impact of the environmental performance completed. Companies that incur excessive social prices get better environmental performance, while businesses with low expenses in financing for sports related to the surroundings and social groups will worsen. That is finished to maintain opposition and build a high-quality picture inside the eyes of stakeholders.

CONCLUSION

Based on the analysis and discussion, it may be concluded that overall environmental performance performed by companies can have a positive effect on company social responsibility disclosure, at the same time as managerial ownership could have a poor effect. Independent board of commissioners and social value have little to no impact on this disclosure. There's no discernible courting among managerial possession, impartial board of commissioners, and social expenses and the environmental performance of corporations. Additionally, overall environmental performance is unable to mediate the relationship between the impartial board of commissioners and social value to company social responsibility disclosure. However, it is able to have a small measurable impact on the relationship between managerial possession and disclosure of corporate social duty. Thus, the government should require all companies to participate in a company performance rating assessment program in the environmental sector. Businesses should raise managerial control, abide by OJK Regulation No.33/PJOK, set aside more money for social expenses, and combine or add other variables such as firm size or age to influence corporate social responsibility disclosure.

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