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The Influence of Foreign Ownership, Environmental Certification, Women's Board of Directors on Disclosure of Corporate Social Responsibility

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Abstract

By sending out information that shows care for the company's operations' effects on the economy, the environment, and society as a whole, the disclosure of csr is crucial for long-term investment that helps reduce social hazards. This study attempts to examine the effects of foreign ownership, environmental certification, board size, and female director representation on CSR disclosure. Manufacturing businesses registered on the Indonesia Stock Exchange between 2017 and 2021 make up the research population. Purposive sampling was used to choose the study sample, and the criteria included companies that were profitable, listed on the Indonesia Stock Exchange during the research year, and used the rupiah as their currency. This research gathered a sample of 65 businesses. Panel data regression analysis is the method of data analysis employed. The study's findings indicate that board size, foreign ownership, and environmental certification all have an impact on CSR disclosure. CSR disclosure is unaffected by the board of directors' gender composition. The research is innovative in that female board of directors variables are added and studied with the random effect model and upper echelon theory.

INTRODUCTION

CSR Company is a notion that places more of an emphasis on the organization's dedication to operating ethically. Additionally, they are responsible and concerned about the effects that a company's strategy and operational implementation will have on the environment and society. As a result, businesses must contribute to social problem solving in addition to pursuing profits. The benefit of implementing social responsibility is acknowledged for company objectives as well, such as contributing to the creation of value for society, raising awareness of the environment, and enhancing the welfare and productivity of employees. This seeks to improve community welfare to address social issues sustainably based on social and cultural circumstances.

In this instance, the corporate sector whose manufacturing process directly affects society, the environment, and natural resources The harm that these businesses do to the environment and natural resources has an adverse effect on those whose environments are polluted. This is the issue that businesses should be concerned about, especially given that many Indonesians do not live luxurious lives and that CSR is one of the ways businesses engage with the community. Due to good corporate governance, the public can see the company's quality (Savitri, 2022). CNN Indonesia reported that social responsibility in Indonesian businesses is still of poor quality. The low quality of operations for CSR activities was attributed, according to research by the National University of Singapore (NUS) Business School, to the company's ignorance of the execution of corporate social responsibility. In the study, 100 businesses from Singapore, Thailand, Indonesia, and Malaysia were employed. Thailand scores 56.8 out of 100 for CSR implementation, followed by Malaysia with 48.4 and Indonesia with 47.7. (Suastha, 2016).

According to Djainal Abidin Simanjuntak, a researcher at the Demographic Institute at the Faculty of Business Economics at the University of Indonesia, in spite of the fact that corporate social responsibility (CSR) is required by law, the implementation of CSR in Indonesian businesses is still far from perfect. He asserts that Indonesian political parties still do not completely grasp the idea of corporate social responsibility. In fact, the majority of businesses in Indonesia think that adopting CSR will only result in more costs and lower profits for shareholders (Panggalih, 2021). The manufacturing businesses listed on the IDX from 2017 to 2021 are the subject of this study. The presence of women on the board of directors, environmental certification, and foreign ownership are a few factors that affect CSR disclosure.

As defined, foreign investors are those who have their citizenship or primary residence outside of the country. Foreign investors consider the ownership structures of the companies they invest in to be advantageous for managing issues and well-protected from outsiders (Savitri et al., 2022). Foreign share ownership is one of the parties that are thought to be interested in reporting corporate social responsibility and is also one of the channels via which businesses earn legitimacy from the public in the corporate environment (Yani & Suputra, 2020). The sustainability of a business depends on its capacity to manage its finances, which also results in revenue that demonstrates the accomplishment of the organization's objectives (Savitri et al., 2022). According to Setiawan et al. (2021), the advent of numerous international investors, as well as local and multinational investment experiences, exhibit success with investors and work trust in social responsibility disclosure. Companies must pay attention to their environmental management systems, as evidenced by their environmental certification, in addition to the function that foreign ownership plays in gaining credibility in the community.

To prove that it complies with a set of standards for quality in the environmental domain, a company must successfully complete the environmental certification procedure. The most popular form of environmental certification is that for environmental management systems, often known as ISO 14001 certification. Companies must use a management system, such as ISO 14001, to assess whether the processes they use and the products they produce conform with this standard in order to be in compliance with environmental regulations, prevent pollution, and commit to sustainable development. By lowering pollutants and improving environmental performance, ISO 14001 strives to assist businesses in paying attention to the environment. Because being accredited demonstrates that a business has complied with the standards established by the society. Hidayah et al. in 2020 discovered a correlation between environmental certification and CSR disclosure. In order for management to share more thorough CSR information regarding business actions with greater inspiration and confidence. Of course, there is a board of directors who oversee all business operations in a corporation with a competent environmental management system.

How corporate social responsibility is implemented is influenced by a number of factors, one of which is the size of the board of commissioners. The two tiers of corporate governance in Indonesia are the board of commissioners and the board of directors. The board's size is comprised of all of the commissioners, both inside and external to the business (Asmoro et al., 2017). The board of commissioners is in charge of directing and ensuring that corporate governance is applied by the business. Commissioners provide feedback and keep an eye on the directors' decisions regarding how to run the business (Savitri et al., 2020). A corporation's board of commissioners is in charge of overseeing each director's approach to running the company and offering counsel, direction, and suggestions for carrying out all operations relating to the organization (Kaymak & Bektas, 2017). This demonstrates how the board of commissioners frequently focuses on regulating the directors' corporate policies. because the size of the board has an impact on how open and transparent the organization is. A link between board size and disclosure of corporate social responsibility was discovered by Kaymak & Bektas (2017). The larger the board, the more information about corporate social responsibility will also be disclosed. While there is diversity within the board itself, it is also related to the size of the board, the diversity of personalities, gender, and the level of experience of board members in the decision-making process (Zaid et al., 2019).

The structure of the board, the variety of personalities among its members, religion, and the hiring procedure' competence requirements are all related to the diversity of directors (Naciti, 2019). Naturally, there is also a wide range of diversity on the board of directors itself. The diversified gender makeup of the board of directors is anticipated to increase its effectiveness. Women and men have different values and personality qualities, which might influence how they make decisions and solve problems. Women prefer to disregard morality and rules because they avoid taking risks while making decisions (Kyaw et al., 2017). As seen by the rise in the proportion of women in executive positions, gender equality is respected.

According to the World Economic Forum's 2020 Global Gender Gap Report , the gender equality rate in Indonesia has increased from 2019 when it was just 63% in the Economy and Opportunity participation sub-index to 69%. These figures show that 70% of men and women in the workforce have equal access to opportunities. Additionally, businesses must be firmly dedicated to making sure that sound governance practices are an essential component of their day-to-day operations (Savitri et al., 2020). Due to the significance of women in the workplace, Issa & Fang's research (2019) discovered a link between gender diversity and CSR disclosure. Women play crucial roles in the company, one of which is related to corporate social responsibility, thus it is believed that gender diversity on the board of directors will result in company disclosure.

This study is a development on research Setiawan et al. did in 2021 to examine how foreign ownership affects Indonesian agricultural issuers' CSR performance. Following that, Setiawan et al. (2021) suggest broadening the research object and adding new research variables. Previous research by Setiawan et al. (2021) only examined businesses in the agricultural sector, however this study examines manufacturing company objects listed on the Indonesia Stock Exchange in the years 2017–2021. Manufacturing companies outperform other business sectors represented on the IDX by about 25%, and the Investment Coordinating Board reports that manufacturing firms attract the greatest foreign investment. Additional independent factors in this analysis include environmental certification based on Hidayah et alresearch .'s from 2020 and women's board of directors based on research of Alazzani et al. (2018).

This study aims to examine how foreign ownership, environmental certification, and the presence of women on the board of directors affect CSR disclosure. The new normal era of globalization and open trade with other nations has increased awareness of the world community, including Indonesia, and encouraged many parties to carry out supervision regarding company operations from trading partners abroad, from international environmental organizations, and from organizations. As a result, researchers include environmental certification variables in their analyses, both public and private sectors. Using the upper echelon theory, a female board of directors variable is also added, as the presence of women on the board is evidence that the business treats all employees equally and without discrimination. This study also includes a number of control variables that were modified from earlier studies in order to account for additional factors that are thought to have an effect on the dependent variable. The four factors that become the research control variables are leverage, ROA, firm size, and firm age.

LITERATURE REVIEW

Legitimacy Theory

Dowling and Pfeffer (1975) introduced the legitimacy theory, which focuses on how businesses and society interact. This demonstrates that there is a social compact between business and society that requires the disclosure of the social context. Socially responsible businesses must conform to current norms and values in order to operate successfully. According to the legitimacy thesis, institutions and society interact socially, necessitating a fit between institutional objectives and societal standards. According to this view, institutional actions must have traits and results that the public can respect.

Agency Theory

Jensen and Meckling (1976) introduced this illustrates the agency attachment that arises when principals entrust services to agents and rely on the decision-making power of these agents. CSR practices and disclosures are also associated with agency theory (Cowen et.al, 1987). Disclosure of social responsibility is one of management's commitments to improve its performance, especially in social performance. Thus, management will get a positive assessment from stakeholders.

Upper Echelon Theory

Hambrick & Mason established the upper echelon idea (1984). This viewpoint holds that the corporation is represented by the top management. Management experience allows for the prediction of some levels of performance and the outcomes of strategic decision-making. The ideals and cognitive style of a leader mirror the strategies they have selected, claims upper echelon theory. Executive management makes use of concepts and abilities from prior positions. The presence of gender disparities in senior management will present many different options as a foundation for decision-making.

Corporate Social Responsibility

According to The World Business Council for Sustainable Development, CSR is a set of guiding principles that show an organization's dedication to moral behavior, its involvement in economic growth, and how its business activities have improved the lives of employees, families, and communities. According to Law Number 40 of 2007 Article 74, businesses that utilise natural resources are deemed to be businesses that are obligated to apply environmental social responsibility. 3P stands for "profit, planet, and people," or "corporate social responsibility" (Rahmatullah, 2017).

Transparency necessitates the disclosure of information to the public in order to uphold one's duties to stakeholders (information users). The publication of information on CSR, which is typically included in a company's financial statements, is known as disclosure of CSR (Viviliana, 2017). For internal and external reasons, companies are urged to publish CSR. While internal elements are determined by the company's values, management policies, strategies, and goals, external variables are determined by the existence of regulations, laws, and requirements pertaining to environmental impact analysis (Viviliana, 2017).

Foreign Ownership

According to Law No. 25 Article 1 Paragraph 6 of 2007 regulating Investment, "investments made by parties with foreign citizenship or residency abroad are considered to be made by foreign investors." Foreign ownership refers to investors who are either foreign nationals or have their primary residence overseas (Setiawan et al., 2021). The performance of the companies that are financed will rise as more companies receive foreign funding since these companies have excellent management systems, technical innovation, professional expertise, and marketing. Owners from other countries have better information to suit internal needs. This enables management to boost shareholder returns even more (Setiawan et al., 2021).

Environmental Certification

When a corporation receives environmental certification from external, independent parties, it is a recognition of its operating standards in relation to environmental management. One of the global certifications for environmental management is the ISO 14001 environmental management standard, which addresses best practices in environmental management systems. Companies must utilize a management system, such as ISO 14001, to assess whether the practices they employ and the products they create conform with this standard in order to adhere to environmental regulations, prevent pollution, and commit to sustainable development (Hidayah et al., 2020). Because it takes a systems perspective, implementing ISO 14001 necessitates system improvement. The ISO 14001 standard is quite flexible and can be used to all sizes and types of activities, not only those involving big businesses.

Size of the Board of Commissioners

The board's size is comprised of all of the commissioners, both inside and external to the business (Asmoro et al., 2017). In a corporation, the board of commissioners is in charge of supervising any decisions made by the board of directors regarding how to operate the firm and of offering direction, advice, and guidance on how to carry out any business-related activities. This demonstrates how the board of commissioners frequently affects how each company's directors' policies are monitored (Kaymak & Bektas, 2017). The board of commissioners is in charge of overseeing top management's actions and is the highest level of internal control (Fama and Jensen: 1983). The board of commissioners, an organizational unit of the corporation, is collectively responsible for the company's oversight of, counsel to the directors, and implementation of GCG (KNKG, 2006). The number of board members in a firm is the size of the board of commissioners being discussed here.

Women's Board of Directors

Diversity research frequently discusses boards of directors with a majority of women. The participation of women on the board of directors is what is meant by diversity or gender diversity. Women executives are well-represented on the board of directors, especially in the post of director of human resources. The presence of women on the board of directors is what is meant by gender diversity or diversity. Boards of directors have a healthy representation of female executives, particularly in the post of director of human resources. According to Grant Thonthon, an expert on the global gender imbalance, companies require gender diversity in order to succeed in attaining their objectives.. A company's share price will rise if its performance improves as a result of gender. A rise in firm value will pique investors' interest in making investments (2018) (Grant Thornton, 2018).

Hypothesis Development

Effect of Foreign Ownership on Corporate Social Responsibility Disclosure

A driving force behind the development and augmentation of the value of social responsibility disclosure is the participation of foreign members in the management of the organization. The percentage of foreigners in the ownership structure might serve as an indicator for stakeholders evaluating the company's accountability and dependability (Attig et al., 2017). According to the legitimacy theory, a firm must modify its ideals to conform to societal standards when there is trust from multiple parties, including foreign parties, that can assist the organization achieve its aims. Because exposure to corporate social responsibility is significantly influenced by foreign ownership of corporations. According to Chen's research (2019), companies with foreign share ownership generally disclose more information than those without. This is due to a number of factors, including the fact that foreign parent businesses give their international subsidiaries greater accounting training and are more familiar with the notion of implementation than domestic parent companies, particularly those in America and Europe. The findings of the studies by Setiawan et al. (2021), Guo & Zheng (2021), Yani & Suputra (2020), Sunreni (2017), and Pangestika & Widiastuti (2017) demonstrate that foreign ownership has an impact on CSR disclosure.
H2: Foreign Ownership affects Corporate Social Responsibility disclosure.

The Influence of the Size of the Board of Commissioners on Corporate Social Responsibility Disclosure

A company's board of commissioners is in charge of supervising each director's approach to running the business as well as providing guidance, criticism, and suggestions for handling any relevant tasks. According to agency theory, the board of commissioners is tasked with monitoring the actions of top management and is regarded as the highest internal control mechanism. The size of the board of commissioners can be decided based on the number of members. The more members the board of commissioners has, the easier it will be to regulate them and the more successful the monitoring will be. According to Chen's research (2019), a firm will disclose its social responsibilities to a greater level if its board of directors has more members. According to research by Kaymak & Bektas (2017), Al Amin (2020), Fauziah & Asyik (2019), Anggraini & Taufiq (2018), and Rouf & Hossan (2021), the size of the board of commissioners can have an impact on enhancing corporate social responsibility.
H3 : The size of the board of commissioners affects the Corporate Social Responsibility Disclosure

The Effect of Environmental Certification on Corporate Social Responsibility Disclosure

A company's production processes and finished products are evaluated for compliance with environmental obligations and requirements via environmental certification. Environmentally certified businesses will be motivated to improve the environment and boost their reputation. According to the legitimacy theory, there will be a strong relationship between legitimacy and the company's ongoing efforts to uphold its brand. If the company also empathizes with the circumstances and effects resulting from its actions, the community will support it and have faith in it. Because of this, the business works to protect the environment by pursuing ISO 14001 certification or environmental honors from government organizations and other authorities. Rahmawati and Budiwati's research (2018). Environmentally conscious businesses hope that the products they make will have a positive reputation and be well-liked by customers and other stakeholders. Environmental certification has an impact on CSR disclosure, according to studies by Hidayah et al. (2020), Pralkoso (2020), and Hotria & Afriyenti (2018).

H2 : Enviromental Certification affects the Corporate Social Responsibility Disclosure

The Influence of the Board of Directors of Women on Disclosure of Corporate Social Responsibility Disclosure

With more female directors on the board of directors, the performance of the directors appears to have improved. Women are more likely to disregard morality and rules because they tend to make less risk-averse decisions. According to the Upper Echelons Theory, senior management represents the company. A few strategic decisions and levels of performance can be predicted by management antecedents. Given that senior management's actions reflect on the performance of the organization, this hypothesis offers some justification for the significance of researching the qualities of commissioners and directors. Studying management characteristics is crucial because they have an impact on organizational performance, which has an impact on how corporate social responsibility is demonstrated. As a basis for decision-making, the women's board of directors will present numerous alternative viewpoints. Increased corporate social effectiveness is one of the advantages of gender diversity, according to research by Alazzani et al. (2017). Women are better able to maintain relationships, pay more attention to social issues, are more moral and avoid violence, and feel more responsible for the needs of others. There is evidence from studies by Issa & Fang (2019), Naciti (2019), Olthuis & van den Oever (2020), Al Fadli et al. (2019), and Pucheta-Martnez et al. (2020) indicating female boards of directors have an impact on CSR disclosure.

H3 : The board of directors of women influences the Corporate Social Responsibility Disclosure

Based on the explanation above, the research model can be formulated as follows:

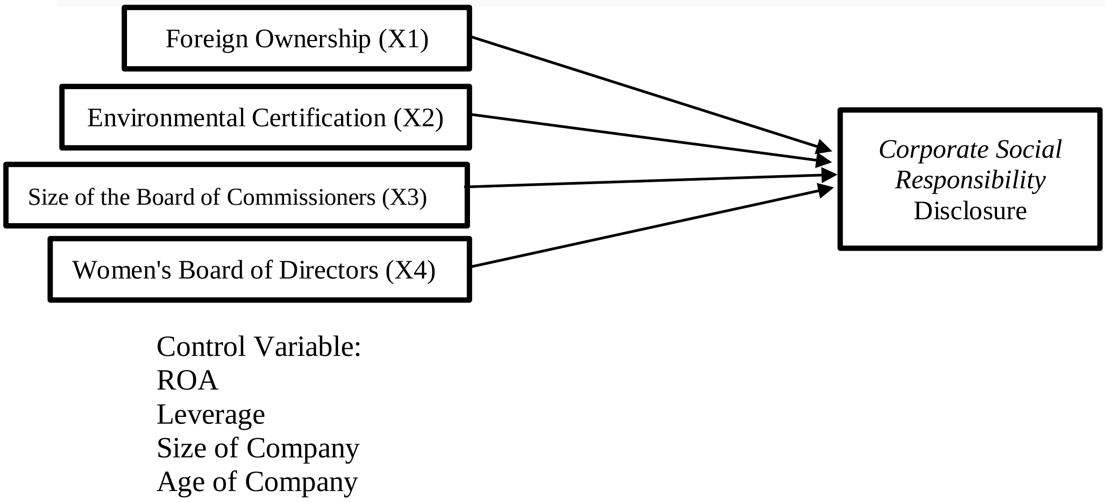

Figure 1. Conceptual Framework

METHODS

Data

From 2017 to 2021, this study was conducted at manufacturing firms that were listed on the Indonesia Stock Exchange (IDX). Information gleaned from the company's annual reports and financial statements. This study investigates 65 businesses using a purposive sample technique. Applying the following standards: 1) Manufacturing firms listed on the Indonesia Stock

Exchange for the period of 2017 to 2021. 2) From 2017 through 2021, the corporation published its annual and financial reports annually. 3) Businesses that are profitable from 2017 to 2021. 4) Businesses that give financial updates in rupiah. Panel data regression and a random effect model were utilized for data analysis.

Operational Definition of Variables and Variable Measurements

CSR disclosure is the study's dependent variable. Companies must disclose the public disclosure of information in order to satisfy duties to stakeholders (Setiawan et al., 2021).

$$CSRIj = \frac{\Sigma Xij}{nj}$$

Description

CSRIj	: *Corporate Social Responsibility Disclosure* Company index j
Nj	: The amount of items for the company j
$\sum$	: Total amount of CSR disclosures, 1= If the item is disclosed; 0 = if the item is not disclosed.

The study's independent variables are foreign ownership, environmental certification, and the presence of women on the board of directors. Foreign ownership refers to investors who are either foreign nationals or have their primary residence overseas (Setiawan et al., 2021).

$$\frac{The\ Amount\ of\ Foreign\ Shareholdings}{Total\ Outstanding\ Shares}$$

Environmental certification is a component of an organization's environmental management system, which is in charge of informing customers that all procedures are adhered to and that the company's products meet environmental obligations and requirements. For purposes of measuring environmental certification, a company is given a score (1) if it possesses environmental certification, and a score (0) if it does not (Hotria & Afriyenti, 2018).

All members of the board of commissioners, whether they are from internal or external companies, make up the board's size (Kusumandari, 2016).

Size of the Board of Commissioners : ΣBoard of Commissioners

The presence of women in executive positions on the board of directors is a sign of this. Gender diversity is largely influenced by the number of women in leadership roles. 2019 (Alazzani).

$$WoD = \frac{Number\ of\ women\ in\ leadership\ of\ the\ board\ of\ directors}{Total\ number\ of\ directors}$$

ROA, leverage, company size, and firm age are the study's controls. ROA is a metric of profitability that can demonstrate the success of a business in producing profits. 2019 (Husna & Satria).

$$ROA = \frac{Net\ profit\ after\ tax}{Total\ Assets}\ x\ 100\%$$

Leverage is a ratio that assesses a company's capacity to meet its long-term commitments (Hanafi dan Halim, 2016).

$$DER = \frac{Total\ Debt}{Total\ Equity}$$

Company size can be determined by the size of a company (Hidayat, 2018).

$$The\ Size\ of\ Company = Ln(Total\ Aset)$$

The age of a company is determined by how long the company has been operating and continues to exist in the business sector (Prakoso, 2020).

The Age of Company = Research year – The year the company was founded

RESULTS AND DISCUSSION

Results

Table 1 demonstrates that the mean value of the *CSR* disclosure variables, board size, *leverage*, business size, and company age is higher than the standard deviation value, demonstrating a good and even distribution of the data in this study. As demonstrated in table 2, the distribution of data in this study is not uniform because the mean value of the variables for foreign ownership, environmental certification, women on boards of directors, and ROA is lower than the standard deviation value.

Table 1. Descriptive statistics

	CSRD(X1)	KA(X2)	SL(X3)	DK(X4)	DDW(X5)	ROA(X6)	LEV(X7)	SIZE(X8)	AGE(X8)
Mean	0.477746	0.260171	0.547692	4.196923	0.144423	0.090045	0.802683	28.78395	44.86154
Maximum	0.901099	0.981861	1.000000	12.00000	0.750000	0.920997	5.442557	33.53723	108.0000
Minimum	0.076923	0.000001	0.000000	2.000000	0.000000	0.000447	0.000414	16.40344	8.000000
Std. Dev.	0.170964	0.322395	0.498488	1.820152	0.172459	0.098067	0.758121	1.787132	19.15005

Note :

CSRD = *Corporate Social Responsibility Disclosure,*
KA = Foreign ownership,
SL = Environmental certification,
DK = Board of commissioners size,
DDW = Women's board of directors,
ROA = Return on asset,
LEV = Leverage,
SIZE = The size of company,
AGE = The age of company

Table 1 shows corporate social responsibility disclosure variable (Y1) has a minimum of 0.07692 and a maximum of 0.901099 with an average of 0.47774 and a standard deviation of 0.17096. Foreign ownership variable (X1) has a minimum of 0.000001 and a maximum of 0.98186 with an average of 0.26017 and a standard deviation of 0.32239. Environmental certification variable (X2) from 325 observations found that 54.77% of manufacturing companies in Indonesia already have environmental certification and 45.23% do not have environmental certification. The board of commissioners size variable (X3) has a minimum of 2.0000 and a maximum of 12.0000 with an average of 4.19692 and a standard deviation of

1.82015. The female board of directors variable (X4) has a minimum of 0.0000 and a maximum of 0.75000 with an average of 0.14442 and a standard deviation of 0.17245. The ROA variable (X5) has a minimum of 0.00044 and a maximum of 0.92099 with an average of 0.09004 and a standard deviation of 0.098067. The leverage variable (X6) has a minimum of 0.000447 and a maximum of 5.44255 with an average of 0.80268 and a standard deviation of 0.758121. The company size variable (X7) has a minimum of 33.5372 and a maximum of 16.40344 with an average of 28.7839 and a standard deviation of 1.78713. The firm age variable (X8) has a minimum of 8.0000 and a maximum of 108.000 with an average of 44.8615 and a standard deviation of 19.1500.

Panel Data Regression Model Selection

There are numerous tests that need to be run in order to find the regression model that best fits the study data, including the Chow test, Hausman test, and Lagrange multiplier test, as shown in Tables 2, 3, and 4.

Table 2. Chow Test

Effects Test	Statistic	d.f.	p-value	Selected Model
Cross-section F	21.599211	(64,252)	0.0000	*Fixed effect*
Cross-section Chi-square	607.610597	64	0.0000	

Source: computed data

Table 2 shows the results of the Chow, where the p-value for the cross section chi square is 0.0000 < 0.05. We are given a choice, namely the fixed effect model, based on the findings of the Chow test between the fixed effect model and the common effect model.

Table 3. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	p-value	Selected Model
ross-section random	14.396574	8	0.0720	*Random effct*

Source: computed data

Table 3 shows the results of the Hausman test, where the p-value from cross section chi square is 0.0720 > 0.05. We can therefore choose the random effect model based on the results of the Hausman test between this model and the fixed effect model.

Table 4. Lagrange Multiplier Test

	Test Hypothesis			
	Cross-section	Time	Both	Selected Model
Breusch-Pagan	387.5957	0.032150	387.6278	*Random effect*
	(0.0000)	(0.8577)	(0.0000)	

Source: computed data

Table 4 shows the results of the LM test that BP cross section is 0,0000 < 0.05. We are given a choice, the random effect model, based on the lm test between rem and cem. The random effect model is the best strategy for performing the regression test so that it can be identified which approach is superior and appropriate for the study's model.

Table 5. Hypothesis Test Results with Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	p-value
		Independence		
Foreign Ownership	0.078151	0.029759	2.626092	0.0091
Enviromental Certification	0.077355	0.026725	2.894453	0.0041
Board of commissioners size	0.018178	0.005324	3.414584	0.0007
Women's board of directors	0.050776	0.043195	1.175498	0.2407
		Control		
ROA	0.317744	0.127492	2.492265	0.0132
Leverage	0.042543	0.015584	2.729803	0.0067
The Size of Company				
The Age of Company	0.001753	0.000682		2.569231
		Weighted Statistics		
R-squared	0.221723	Mean dependent var		0.097954
Adjusted R-squared	0.202020	S.D. dependent var		0.066366
S.E. of regression	0.059285	Sum squared resid		1.110645

Source: computed data

Table 5 shows how increasing corporate social responsibility is impacted by foreign ownership. Environmental certification affects how corporate social responsibility is disclosed. The disclosure of corporate social responsibility is unaffected by the presence of women on the board of directors. The promotion of corporate social responsibility is influenced by ROAl. The disclosure of corporate social responsibility is influenced by leverage. Both the age of the company and the size of the corporation have an impact on how much information about corporate social responsibility is disclosed. The test results indicate that the independent variables in this study can account for 37.51% of the variability of the CSR disclosure variable, with an adjusted R square value of 0.3751. While additional factors not included in this research model account for the remaining 62.49%.

DISSCUSION

The Influence of Foreign Ownership on Corporate Social Responsibility Disclosure

Additionally, foreign ownership affects CSR leverage. This demonstrates that the company's foreign ownership is seen as a party with an interest in disclosing its social responsibilities. According to the legitimacy hypothesis, businesses must attach their corporate aims to society standards in order to win the trust of stakeholders, even international stakeholders who aid them in achieving their goals. The perception that CSR disclosure is more significant to foreign parties is the cause of this (Yani & Suputra,2020). Disclosure of a company's commitment to social and environmental responsibility, or CSR, is just one of the numerous ways to raise the value of the business. Due to the tendency of foreign owners to view the company's operations, particularly in the form of social activities, the company will have a good reputation if it has disclosed its social responsibilities.

One of the informalities utilized by investors to make investment decisions is the disclosure of corporate social responsibility in terms of corporate governance. According to the Capital Investment Coordinating Balance, the investment realization of Foreign Capital Investment has likely exceeded that of the Capital Investment Plan during the past five years. According to the proportion of share ownership, the study's data also shows that manufacturing firms receive more foreign investment than domestic investment. If a company has agreements with international stakeholders, CSR disclosure is made easier for them (Guo & Zheng, 2021).

According to Setiawan et al. (2021), many foreign investors will invest in local or international companies because of the foreign ownership of those companies.. This demonstrates the effectiveness of the company in gaining investor trust, particularly when stating disclosure of social responsibility in the company. This, however, conflicts with study by Irmayanti & Mimba (2018), which claims that the degree of social responsibility disclosure in a corporation is unaffected by the existence or lack of foreign ownership.

The Influence of Environmental Certification on Corporate Social Responsibility Disclosure

CSR disclosure is impacted by environmental certification. According to this, businesses who have received environmental certification disclose their corporate social responsibility at a higher degree. According to legitimacy theory, there will be a strong relationship between legitimacy and the company's efforts to uphold its brand. If the company also empathizes with the circumstances and effects resulting from its actions, the community will support it and have faith in it. Because of this, the business works to protect the environment by pursuing ISO 14001 certification or environmental honors from government organizations and other authorities.

Companies attest to the public that they conform with a set of environmental quality criteria through the process of environmental certification. The company's achievement of environmental certification has encouraged it to increase its efforts to safeguard the environment and build its reputation. Because ISO 14001 is an international standard for environmental system management, obtaining environmental certification benefits the company's environment and reflects its transparency, giving it the confidence to share more CSR (Prakoso, 2020). According to Hidayah et al. (2020), businesses can prove that they are in accordance with community norms and rules by getting environmental certificates. to boost management's drive and self-assurance in their capacity to provide additional information about the significance of CSR. Contrary to study by Nuranisa (2020), which claims that there is no difference in the disclosure of corporate social responsibility between companies that have gotten environmental certification and those that have not, this is not the case.

The Influence of the Size of the Board of Commissioners on *Corporate Social Responsibility* Disclosure

The number of commissioners on the board of commissioners affects CSR disclosure. According to agency theory, which holds that the board of commissioners is the highest internal control mechanism charged with overseeing the actions of top management, this shows that a company with a large board of commissioners size will have a higher level of corporate social responsibility disclosure. The number of members provides insight into the size of the board of commissioners. The board of commissioners can be more effectively monitored and will be easier to control the CEO with a larger number of members.

The board of commissioners can exert enough influence using their authority to force management to disclose CSR. Because the board of commissioners plays a significant role in ensuring that the company performs corporate governance supervision, companies with larger boards of commissioners will report more CSR. The size of the board of commissioners will determine how knowledgeable it is in increasing disclosure and transparency within the organization; a larger board size indicates a greater CSR (Kaymak & Bektas, 2017). According to Al Amin (2020), because the size of the board of commissioners inside the company is seen as a successful corporate governance instrument, it will play a significant role in ensuring the company implements excellent corporate governance. This, however, conflicts with research by Sundari (2019), which contends that a firm must still be able to make decisions about how to carry out its social obligations without consulting its board of commissioners.

The Influence of the Board of Directors of Women on Corporate Social Responsibility Disclosure

There is no impact of the female board of directors on CSR disclosure. This finding disproves the upper echelons theory, which claims that board perceptions will affect the selection of sound strategies that affect company performance. However, because manufacturing companies have an uneven distribution of female board members, the presence or absence of the board of directors of women member will not have an impact on the board of directors' top management's decision-making process.

According to this study, having a female board of directors has not been able to provide the best supervision to produce quality CSR disclosure. According to research, manufacturing companies have a less uniformly distributed ratio of female board members. Additionally, it is recognized that female board members prefer to be cautious by taking the long view and not acting quickly to prevent risks, which makes them more passive decision-makers. According to Kagzi & Guha (2018), the strength of the female directors themselves will determine whether the presence of a female board of directors helps or hinders strategic transformation. They believed that the more women on board, the greater influence they would have in making decisions. According to research, women make up a minority of directors, which ultimately restricts their ability to make crucial business choices. This, however, conflicts with study by Issa & Fang (2019), which claims that having a female board of directors in a firm is crucial because women have a significant influence in decisions about how to disclose social responsibility to businesses.

The Influence of Control Variables on Corporate Social Responsibility Disclosure

CSR disclosure is impacted by ROA. This demonstrates that business executives inform investors about their commitment to CSR and support both management compensation and sustainable development. CSR disclosure is impacted by leverage. In order to persuade bondholders to use their rights as creditors, more information is required. As a result, corporations with large leverage are required to disclose social responsibility more frequently. CSR disclosure is influenced by a company's size. Large businesses have significant financial resources, high staff skill levels, full information systems, a variety of product lines, and comprehensive ownership structures. Large businesses must therefore widely disseminate information about their corporate social responsibilities. The age of company' has an effect on CSR disclosure. Older businesses have more experience, are more likely to be aware of their customers' needs and their informal opinions of the business, which raises the standard of the enterprise.

CONCLUSION AND SUGGESTIONS

CONCLUSION

Foreign ownership has an impact on CSR disclosure because it pushes businesses to be transparent, accountable, and trustworthy, all of which are predicted to have an impact on rising corporate value. The implementation of strong environmental performance in businesses is guaranteed by ISO 14001 certification, which has an impact on CSR disclosure. The size of the board of commissioners affects CSR disclosure since it grows when a company has a big board of commissioners. Because the board of directors of women hasn't been able to provide the best supervision to produce quality CSR disclosure, its presence has no impact on CSR disclosure. CSR disclosure is influenced by the control variables, including ROA, leverage, company size, and age of the company.

SUGGESTIONS

Future researchers are anticipated to distinguish between dependent and independent boards of directors in order to generalize the research findings. They are also anticipated to expand measurement research that is measuring based on indicators of gender and behavior in order to clearly see the role of women board of directors on corporate social responsibility disclosure. In addition, it is possible to include concepts like social role theory and feminist ethical theory.

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