**Article Type:** Research Paper

**The Impact of Ownership Structure on CSR Disclosure: Evidence from Indonesia**

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**Abstract:**

**Research aims:** When stakeholders want to invest in a company, CSR is one of the concerns. Thus, this study aims to examine the effect of ownership structure on corporate social responsibility disclosure in Indonesian companies. The ownership structure in this study consisted of managerial ownership, institutional ownership, public ownership, and foreign ownership.

**Design/Methodology/Approach:** The samples in this study were companies listed on the Indonesian stock exchange from 2017 to 2019 that belonged to the sensitive industry category. The ownership structure comprised managerial ownership, institutional ownership, public ownership, and foreign ownership. CSR disclosure was measured using the Global Reporting Initiative (GRI). The data were then analyzed using panel data regression.

**Research findings:** The results showed that institutional ownership positively affected CSR disclosure, while managerial, foreign, and public ownership did not affect CSR disclosure.

**Theoretical contribution/Originality:** The company’s organs, including ownership structure, are expected to encourage companies to be more active in conducting CSR and disclosing it in company reports. However, while many ownership structures do not affect CSR, stakeholders and regulators need to encourage other instruments that can be used to increase CSR disclosure.

**Keywords:** CSR; Disclosure; Legitimacy; Ownership structure

**Introduction**

Investors usually consider many aspects when investing in a company, for example, financial performance, brand/reputation, track record, and its social contribution in the form of corporate social responsibility (CSR). When stakeholders want to invest in a company, CSR is one of the concerns. It is because CSR shows the level of the company’s concern for the community and the environment, which will directly or indirectly be affected by the company’s activities. Investors also usually tend to invest in companies with more attention to CSR (Nofsinger et al., 2019). Companies with high CSR disclosures have several advantages, including gaining legitimacy, long-term benefits, sustainability, and reputation (Andayani, 2021; Indrasari et al., 2021; Khan et al., 2012; Salehi et al., 2017). Therefore, CSR has received attention from companies as a strategy to attract investors.
However, investors or shareholders can also influence the company's CSR disclosure level. As the company owner, shareholders can affect managers to focus on important aspects supporting company performance, including social performance. Social performance shows the company's contribution to the surrounding community, meaning that the company's presence not only provides benefits for the company itself but also benefits the community's social life. The company's policy on CSR can also be influenced by the ownership structure attached to the company (Oh et al., 2011; Swandari & Sadikin, 2016).

The ownership structure can be divided into several categories, namely managerial ownership, institutional ownership, public ownership, and foreign ownership. Each of these categories shows the percentage of shares owned by certain parties, for example, managers (managerial ownership), institutions in the form of banks, pension funds, or insurance companies (institutional ownership), society or public (public ownership), and foreigners, both individuals and institutions (foreign ownership). Ownership structure can affect CSR disclosure because they are also interested in the company's competitive advantage that can be obtained, one of which is the benefits of disclosing CSR (Khan et al., 2013).

Previous studies have obtained mixed results regarding the relationship between ownership structure and CSR. Research by Nurleni et al. (2018) found that managerial ownership had a significant negative effect while institutional ownership positively affected CSR disclosure in manufacturing companies in Indonesia. Khan et al. (2013) uncovered that public ownership and foreign ownership positively influenced CSR disclosures in Bangladeshi companies. Meanwhile, Salehi et al. (2017) stated that institutional and managerial ownerships did not influence CSR disclosure on the Tehran Stock Exchange.

For this reason, this study aims to examine the effect of ownership structure and corporate social responsibility on companies listed on the Indonesian Stock Exchange. This study used ownership structure and CSR as research variables for the following reasons. First, the Indonesian government actively encourages investment activities by promoting the capital market as an investment place with many advantages. The presence of investors with various categories may have different motivations, but in general, they expect their companies to have good performance, both in terms of financial and social aspects, which do not harm or endanger people's lives. Second, as a developing country, Indonesia faces the issue of low investor protection (Prabowo et al., 2017), which may impact the ownership structure of companies in Indonesia.

Third, as a developing country, Indonesia also faces environmental sustainability issues, usually directed at companies that greatly impact the environment (sensitive industry). In this case, Indonesia has issued some regulations to regulate the CSR reports for companies, such as Act No. 40 of 2007 and Government Regulation No. 47 of 2012 about social and environmental responsibility. Those regulations strengthen the CSR agenda implemented by companies (Yaya et al., 2018)
Fourth, previous studies have mostly used ownership structure in managerial, foreign, and institutional ownership. Thus, this study completes it by adding one category, namely public ownership, so that the results can provide a better picture of the relationship between CSR disclosure and various types of ownership structures.

Moreover, CSR disclosure can at least show the extent of the company's concern for the community's social life and the surrounding environment. Therefore, this research is expected to contribute by showing the role of ownership structure on the company's CSR disclosure and that investors have a big role in encouraging company involvement in high CSR activities.

**Literature Review and Hypotheses Development**

**Legitimacy Theory**

Every company is interested in the sustainability of its business in the future by ensuring that the community accepts the company's existence. Legitimacy refers to society's acceptance of the company's activities when the activities are “desirable, proper, or appropriate within some socially constructed system of norms, values, belief, and definitions” (Suchman, 1995).

The company is also committed to empowering the community and preserving the environment. This commitment can be demonstrated by the CSR activities that the company has carried out. In addition, legitimacy is the most widely used theory when discussing CSR disclosure. According to Guthrie and Parker (1989), legitimacy theory states that “corporate disclosure reacts to environmental factors (economic, social, and political), and disclosures legitimate actions”.

Moreover, social aspects can help companies to preserve legitimacy. Legitimacy is very important for companies because it can provide benefits, such as improved image, recognition as moral leadership, and long-term profits (Bronn & Vidaver-Cohen, 2009). Farook et al. (2011) stated that legitimacy would be obtained when the company has not only met the community's expectations but also disclosed what has been done to meet those expectations. CSR disclosure can also increase the company's legitimacy because the community benefits from its presence in its environment. According to Garanina and Aray (2021), ownership structure can be used to understand company behavior in gaining legitimacy through CSR disclosure.

**Corporate Social Responsibilities (CSR)**

Corporate social responsibility (CSR) shows the company's commitment to not only focusing on achieving profit but also a concern for social welfare and environmental preservation (Nurleni et al., 2018). Mirfazli (2008) asserted that CSR is the moral responsibility of companies to their stakeholders who are affected by company activities, either directly or indirectly. The implementation of CSR will be disclosed in the company's
annual report or sustainability report (Tista et al., 2021) so that the public can observe the extent to which the company carries out its social responsibility. According to Nurleni et al. (2018), although there are many items in CSR, only a few items are required to be disclosed by the company, so the level of CSR disclosure depends on the policies of each company.

CSR includes social, environmental, employee, and community welfare activities (Muslichah, 2020). Mirfazli (2008) examined companies’ disclosure in Indonesia and found that human resources were the most widely disclosed item, followed by customer, society, and environment. Meanwhile, Nugraheni et al. (2020) stated that examples of CSR disclosure are social aspects, which include education, donation, entrepreneurship, or training skill, while the environmental aspect refers to the company's efforts so that its activities do not damage the environment, such as pollution, hazardous waste, or irresponsible use of energy.

On the other hand, CSR disclosure by companies can be based on various drives or motivations. For example, CSR can be used to gain legitimacy from the community, comply with laws and regulations, maintain the company’s sustainability and customer loyalty, or attract investors (Taşşı & Pazarcık, 2013; Gunawan 2015; Gunawan et al., 2020). Taşşı and Pazarcık (2013) argued that CSR could not be implemented without corporate governance support. These two things are interrelated with the same objectives to achieve accountability and transparency in accordance with the expectations desired by society. Ethical behavior will impact stakeholders' views on the company's existence (Gunawan et al., 2020).

Ownership Structure

The company's ownership structure shows the diversity of investors who hold shares of that company. According to Garanina and Aray (2021), referring to the previous studies, the ownership structure is a governance mechanism that affects the company's behavior, values, strategic policies, and performance. The ownership structure can be divided into several categories, namely managerial ownership, institutional ownership, public ownership, and foreign ownership. Managerial ownership is the number of shares owned by managers, whereas institutional ownership shows shares owned by the government, financial institutions, and other companies. Foreign ownership displays shares owned by foreign nationals, while public ownership indicates shares owned by the public or the general public (Nurleni et al., 2018; Swandari & Sadikin 2016; Oh et al., 2011).

In addition, some companies are owned by a certain party with a very large percentage (above 50%) so that they become the majority shareholder, while others or even several parties own the rest. Here, conflicts can occur between shareholders and the board of directors or between majority and minority shareholders (Abdullah et al., 2011), and there are differences in interests. Besides, the company's ownership structure can influence the policies made by the company's management (Fox & Hamilton, 1994). Shahid et al. (2018) stated that ownership structure could moderate the relationship
between managers and owners, and therefore, the owners could influence the company’s decision because they are interested in the company's development.

The majority of shareholders can also control their interests and prioritize long-term prosperity, so they are motivated to develop the company by implementing CSR as one of the company's policies (Garanina & Aray, 2021). According to Abdullah et al. (2011), the relationship between CSR quality and owner type is important because majority shareholders have more power than minority shareholders. Juniarti (2020) also affirmed that CSR would protect shareholders' long-term value.

Moreover, Oh et al. (2011) explained why institutional, managerial, and foreign ownership influence companies’ CSR. First, institutional ownership is found in the company’s ownership structure and usually becomes the majority shareholder. Second, managers are the party who control information related to company activities. Managers who are also owners of companies will have more influence in making decisions related to strategy and investment. Third, foreign investors usually have different characteristics from citizens regarding time use, preferences, and information asymmetry problems. Foreign ownership affects the company's internal activities and creates a positive company performance (Garanina & Aray 2021). Foreign ownership from countries concerned about CSR will also encourage company transparency and disclose CSR activities (Oh et al., 2011).

Institutional investors will also be attracted to companies that conduct CSR because CSR shows a company’s accountability to its stakeholders Salehi et al., (2017). According to Dyck et al. (2019), institutional ownership is concerned with financial and social aspects. Good environmental and social performance will affect the increase in stock prices to provide better financial benefits. For managerial ownership, Salehi et al. (2017) stated that, in addition to reducing information asymmetry, share ownership by managers would also reduce high-risk decisions between managers so that social activity will be higher. However, Salehi et al. (2017) did not find the effect of institutional and managerial ownership on CSR on the Tehran stock exchange.

On the other hand, Khan et al. (2013) found that public and foreign ownership positively affected CSR disclosure in Bangladeshi companies because the public had a high demand for company transparency, while managerial ownership had a positive effect on CSR in export-oriented companies. Arista et al. (2019), who examined the effect of ownership structure on CSR in Indonesian companies, revealed that managerial ownership had a positive effect, while public ownership did not affect companies in Indonesia.

Previous studies have shown different results between the effect of ownership structure and CSR in different countries. Each country may have different attention to CSR activities, which will also influence CSR policies (Oh et al., 2011; Dyck et al., 2019). Specifically, as a developing country with natural resources, Indonesia is often under the spotlight related to the preservation of natural resources and the social welfare of the people affected by industrial activities. Several regulations related to the company's obligation to implement CSR have also been issued by the government to control company activities that can
impact the environment. Therefore, research on the factors affecting CSR in companies in Indonesia is vital to identify the driving factors for CSR.

**Hypotheses Development**

Conflicts of interest between managers and shareholders can be reduced by giving shares to managers as one of the strategies (Nurleni et al., 2018). With the shares owned, managers who are also shareholders will be able to adjust company policies to the wishes of other shareholders. On the other hand, CSR is one way to gain legitimacy from the community, which will encourage the company's sustainability, which is the goal of shareholders (Juniarti, 2020) and provides many other benefits. Thus, managers will also be motivated to make policies encouraging the company's sustainability, including CSR disclosure more broadly. Suchman (1995) stated that the manager controls the legitimacy process because it can affect company outcomes, such as sales and profit. Arista et al. (2019) also asserted that stock ownership by managers would encourage managers to pay more attention to CSR because managers will align with other shareholders to maximize the company’s value by using CSR as a strategy. Research by Arista et al. (2019) and Wulandari and Sudana (2018) found that managerial ownership positively affected CSR disclosure in Indonesian companies. Therefore, the research hypothesis is:

\[ H_1: \text{Managerial ownership has a positive effect on CSR disclosure.} \]

Institutional ownership usually has more resources than other shareholders, which allows them to control management policies (Nurleni et al., 2018). Meanwhile, according to Oh et al. (2011), institutions usually find it more difficult to sell their shares to other parties to be more concerned about the company’s strategic policies. Thus, institutional investors also are interested in the company gaining legitimacy from the community for its activities because it can affect the company’s sustainability. Moreover, CSR disclosure is one way the companies maintain their sustainability by maintaining the relationship between the company and the community (Nurleni et al., 2018). CSR also indicates the company's concern for the community and shows shareholders are concerned about responsible company activities (Oh et al., 2011). In addition, CSR will attract institutional investors as an indicator of companies’ accountability to their stakeholders (Yang & Shyu, 2019). Therefore, the greater the proportion of share ownership by institutions, the greater the CSR disclosure made by the company. Oh et al. (2011) and Saleh et al. (2010) disclosed that institutional ownership positively affected CSR disclosure. This study derived the following hypothesis:

\[ H_2: \text{Institutional ownership has a positive effect on CSR disclosure.} \]

Public ownership will put more pressure on corporate accountability where shareholders want wider information disclosure (Khan et al., 2013). Information related to company involvement in CSR activities becomes a concern of the community to see the impact of companies’ activities on the environment and social aspects. Social activities will
strengthen the relationship between the company and stakeholders (including the public/society) and help maintain the company's legitimacy when there is a crisis in the society (Bronn & Vidaver-Cohen, 2009). Khan et al. (2013) found that public ownership positively affected CSR disclosure in Bangladesh. According to Juniarti (2020), public companies will pressure companies to make CSR disclosures, especially on companies that manage natural resources. The presence of the community as shareholders is expected to encourage the company's CSR disclosure. Therefore, the study hypothesis is:

\[ H_3: \text{Public ownership has a positive effect on CSR disclosure.} \]

Opening investment to foreign investors will further increase the ownership of company shares in a country. When the ownership is controlled or dominated by foreign investors, their nature, characteristics, behavior, and culture will also influence the process of supervising the board of directors' performance. Management practices from Western countries usually focus more on social aspects to gain legitimacy from stakeholders in the country where the company is located (Suchman, 1995). Meanwhile, according to Huafang and Jianguo (2007), several incentives for higher disclosure due to the presence of foreign investors are more competitive in the capital market and the encouragement to provide equal information between foreign and domestic investors. Thus, foreign investors will also encourage companies to be more actively involved in CSR activities and publish them in annual reports. Previous studies exposed that foreign ownership positively affected CSR disclosure in China (Huafang & Jianguo, 2007), Korea (Oh et al., 2011), and Bangladesh (Khan et al., 2013). Thus, the proposed hypothesis is:

\[ H_4: \text{Foreign ownership has a positive effect on CSR disclosure.} \]

**Research Method**

The samples in this study were companies listed on the Indonesian stock exchange from 2017 to 2019. This study used purposive sampling criteria, where the selected companies were companies that belonged to the sensitive industry category and published annual reports and stand-alone sustainability reports for 2017-2019. The sensitives industry category refers to the companies that are sensitive to the environment, such as mining, construction, property, and energy industry and has been used by the previous studies (Gunawan, 2013; Yaya et al., 2018). Gunawan and Tin (2019) stated that using a sustainability report will strengthen the CR analysis because it contains the concept of sustainability, while CSR in the annual report usually only reveals social activities or community development.

The independent variables in this study were the ownership structure, including managerial ownership, institutional ownership, public ownership, and foreign ownership. Managerial ownership was measured by the percentage of shares owned by managers. Public ownership was determined based on the percentage of shares owned by the public. In addition, foreign ownership shows the percentage of shares owned by foreign
investors, while institutional ownership indicates the percentage of shares owned by institutions. This study also used control variables in the form of firm size, measured by total assets and profitability, determined by the return on assets (ROA).

Meanwhile, the dependent variable was CSR disclosure, measured using the global reporting initiative (GRI) index, which consists of 91 items covering economic, social, and environmental aspects. GRI has published “one of the world’s most prevalent standards for sustainability reporting” (Yaya et al., 2018). Using GRI makes it easier to compare the results with other international companies than when using local standards of CSR measurement. CSR will be given a score of 1 if it discloses items according to GRI and otherwise will be given a value of 0 for items not disclosed. Below is the research model:

$$CSR = \alpha + \beta_1 Man + \beta_2 Ins + \beta_3 For + \beta_4 Pub + \beta_5 Size + \beta_6 ROA + e$$

Description: CSR = CSR disclosure; Man = Managerial ownership; Ins = Institutional ownership; For = Foreign ownership; Pub = Public ownership; Size = Firm size; ROA = Return on asset (profitability); $\alpha$ = Constant; $\beta_1$, $\beta_2$, $\beta_3$, $\beta_4$, $\beta_5$, $\beta_6$ = Coefficients; $e$ = Error.

This study employed panel data regression using the common effect model (CEM), fixed effect model (FEM), and random effect model using Stata. The selection of the most suitable model for this research used the Chow, Hausman, and Multiple Lagrange tests.

**Result and Discussion**

Under predetermined criteria, this study used company data, a sensitive industry that published annual and sustainability reports for 2017-2019. The industries were industrial, infrastructure, healthcare, energy, and transportation, with 154 companies. However, only 29 companies published annual and stand-alone sustainability reports for the 2017-2019 period, so the total data was 87. The following are the results of the descriptive statistics.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>29.402</td>
<td>13.889</td>
<td>9.000</td>
<td>71.000</td>
</tr>
<tr>
<td>Man</td>
<td>1.694</td>
<td>4.040</td>
<td>0.000</td>
<td>15.700</td>
</tr>
<tr>
<td>Ins</td>
<td>50.199</td>
<td>31.382</td>
<td>0.000</td>
<td>98.030</td>
</tr>
<tr>
<td>For</td>
<td>26.800</td>
<td>25.711</td>
<td>0.000</td>
<td>94.520</td>
</tr>
<tr>
<td>Pub</td>
<td>32.473</td>
<td>14.941</td>
<td>0.000</td>
<td>71.040</td>
</tr>
<tr>
<td>Size</td>
<td>30.937</td>
<td>1.514</td>
<td>27.360</td>
<td>33.490</td>
</tr>
<tr>
<td>ROA</td>
<td>5.990</td>
<td>11.704</td>
<td>-0.166</td>
<td>92.100</td>
</tr>
</tbody>
</table>

Table 1 shows the result of descriptive statistics for each variable. CSR disclosure measured by the GRI index had a minimum value of 9, a maximum value of 71, and a mean value of 29.402. The mean value of CSR was quite small at 29.402%, showing that CSR disclosure by companies was still quite low. Then, managerial ownership had a minimum value of 0, a maximum value of 15.70, and a mean value of 1.694. In addition, institutional
ownership had a minimum and maximum value of 0 and 98.03, a mean value of 50.199, and a standard deviation of 31.382. Besides, foreign ownership had a minimum and maximum value of 0 and 94.520 and a mean value of 26.800. The next variable, public ownership, had minimum and maximum values of 0 and 71.04 and a mean value of 32.473. Based on that data on ownership structure, managerial ownership had the lowest mean value, only 1.694%, followed by foreign ownership (26.800%) and public ownership (32.473%). Meanwhile, the highest was institutional ownership, with a mean value of 50.199%. The statistic also shows that the minimum value was 0, meaning that not all companies had the four types of ownership structure. Meanwhile, institutional ownership had the largest maximum and mean values, indicating that institutions owned many companies.

Figure 1 CSR disclosure per aspects

Figure 1 depicts the company's performance level throughout the observation period. The results revealed that CSR measured by GRI increased from 2017, reaching 32.7%, to 33.8% in 2018 and 37.7% in 2019. In terms of aspects of CSR, economic aspects were the highest, followed by social and environmental aspects. Besides, the company's efforts to participate in raising the community economy were the most frequently carried out in CSR activities.

Panel data regression was done by selecting the most suitable model among CEM, REM, and FEM. This study obtained a significant value for the Chow test of 0.000, the Hausman test of 0.8221, and the Lagrange test of 0.000, so the most suitable model for this research was the random effect model (REM). Table 2 presents panel data regression.

Managerial ownership had a coefficient value of 0.126 and a probability value of 0.280 > alpha value of 0.05, meaning that managerial ownership did not affect CSR disclosure. Therefore, H1 was rejected. This result supports previous studies, which showed that managerial ownership did not affect CSR disclosure in China (Huafang & Jianguo, 2007) and Indonesian companies (Swandari & Sadikin, 2016; Dewi & Wirawati, 2021). Those studies stated that managerial ownership only had a small percentage. Based on descriptive statistical data, the mean value of managerial ownership was only 1.694%, and the maximum value was only 15.7%, less than other ownership, such as institutional.
ownership (mean value of 50.20) and foreign ownership (mean value of 26.80). In this case, not all managers own their company shares, and even if they have, the number of shares owned is also not much (Swandari & Sadikin 2016). This small ownership has not been able to influence every decision made by shareholders, so that company policies including CSR will depend on other majority shareholders.

Table 2 Panel Data Regression

| Variables | Coeff | Std. Err. | z     | P>|z|   |
|-----------|-------|-----------|-------|-------|
| Man       | 0.126 | 0.456     | 0.280 | 0.783 |
| Ins       | 0.130 | 0.057     | 2.270 | 0.023 |
| For       | 0.083 | 0.062     | 1.33  | 0.183 |
| Pub       | 0.095 | 0.090     | 1.05  | 0.292 |
| Size      | -1.312| 1.553     | -0.85 | 0.398 |
| ROA       | -4.685| 8.998     | -0.52 | 0.603 |
| Constant  | 58.256| 47.903    | 1.22  | 0.224 |
| R-sq      | 0.1029|           |       |       |
| Wald chi2 | 6.8   |           |       |       |
| Prob > chi2| 0.3401|           |       |       |

According to Huafang and Jianguo (2007), when there is no effect between managerial ownership and disclosure, it can also be caused by the influence of regulators encouraging companies to be more transparent. Yaya et al. (2018) argued that some regulations by the Indonesian government related to social and environmental activities also encourage companies to disclose those activities more in the annual report.

In addition, the institutional ownership variable had a coefficient value of 0.130, with a sig value of 0.023 < alpha value of 0.05. It denotes that institutional ownership positively affected CSR disclosure; H2 was accepted. It is in accordance with the study of Nofsinger et al. (2019) and Saleh et al. (2010) that found the relationship between CSR and institutional shareholders. Moreover, Nofsinger et al. (2019) stated that institutional investors consider two aspects of investing: social norms and economic incentives. Social norms refer to CSR performance, while economic incentives allude to financial performance. Thus, companies with low CSR will more easily risk poor performance, such as bankruptcy or being excluded from the stock exchange (Nofsinger et al., 2019). Saleh et al. (2010) also stated that CSR is a tool to maintain the interest of institutional investors in the companies while maintaining the companies’ image.

Then, the foreign ownership variable had a coefficient value of 0.083, with a sig value of 0.183 > alpha value of 0.05, so H3 was rejected. This study found that foreign ownership did not affect CSR disclosure. This result is consistent with Swandari and Sadikin’s (2016) findings, revealing that foreign ownership did not affect CSR disclosure in Indonesia. This study also corroborates with El-Halaby and Hussaine’s (2016) research that foreign ownership did not affect corporate disclosure in Islamic banks in MENA countries. According to Oh et al. (2011), the relationship between foreign shareholders and CSR depends on the country of origin of the shareholders. Foreign shareholders from countries concerned with CRS (such as Europe and North America) will pressure
companies also to have a high commitment to CSR. Meanwhile, the country of origin of foreign shareholders of Indonesian companies may not be too focused on CSR. Therefore, they do not press the companies too much on CSR aspects.

Moreover, public ownership had a coefficient value of 0.095 and a sig value of 0.292 > alpha value of 0.05, which means that public ownership did not affect CSR disclosure. Therefore, H4 was rejected. This finding supports the study of Arista et al. (2019), which stated that public ownership did not affect CSR in Indonesian companies at IDX. They also stated that a little public ownership could not influence the company to be more committed to CSR. Besides, Arista et al. (2019) argued that the effect of ownership structure on the company also depends on the level of investor participation. When there is a lack of participation from investors, its influence on company decisions, including CSR disclosure, is also limited. In terms of public ownership, where each investor has different interests, the effect on CSR decisions may also not have an effect.

For the control variable, firm size had a coefficient value of -1.312 and a significant value of 0.398 > alpha value of 0.05. Then, ROA showed a significant value of 0.603 > 0.05 and a coefficient value of -4.685. Therefore, firm size and ROA did not influence CSR disclosure.

The findings also revealed that only institutional ownership influenced CSR disclosure of four types of ownership. The finding may indicate that only one ownership structure type influences companies to disclose CSR disclosures. However, society and other stakeholders can still assess a company's CSR implementation level through company reports. It is because government regulations already require companies to disclose CSR for certain aspects, often referred to as mandatory CSR. The requirement of government regulation for companies to disclose CSR can be a standard to evaluate the implementation of CSR activities.

**Conclusion**

This study examined the effect of ownership structure and CSR disclosure on Indonesian companies. The descriptive results of CSR showed that the CSR disclosed increased throughout the observation period, ranging from 32-37%, from 2017 to 2019. Meanwhile, based on CSR disclosures made by companies, the economic aspect was the highest disclosed by the company, followed by social and environmental aspects.

The statistical testing results between independent and dependent variables uncovered that institutional ownership positively affected CSR disclosure, while managerial, foreign, and public ownership did not affect CSR disclosure. In fact, CSR disclosure is a form of the company's commitment and contribution to the environment directly or indirectly affected by the company's activities. Hence, the company's organs are expected to encourage companies to be more active in conducting CSR and publishing it in company reports, including the ownership structure. However, the results of this study actually
exposed that three of the four ownership structure variables studied did not affect CSR disclosure.

In general, the purpose of investment by investors is to make a profit. When the company has made a profit, the shareholders may not pressure the company to do other things. Moreover, when the company’s activities are in accordance with applicable laws and regulations, including provisions regarding CSR that the company must disclose, shareholders may only focus on the financial performance. As long as financial performance can be maintained by management and other activities do not violate applicable regulations, shareholders will continue to oversee company policies without being pressured to do other things.

This study has several limitations. Among others, the sample companies in this study were those that published annual and sustainability reports. It turned out that many companies only published annual reports without publishing their sustainability reports (stand-alone reports). Supposedly, sustainability and CSR activities are combined in the annual report as information presented to stakeholders. It can happen because the sustainability report as a stand-alone report is not mandatory that the company must make. Second, this study’s independent variables involved foreign and institutional ownership. Thus, there is a possibility that when the ownership structure of the company shows ownership by a foreign institution, the two ownerships can have the same percentage. Thus, future research can use more sustainability reports when discussing CSR to get more information. The ownership variable can also be expanded by using family ownership and government ownership criteria to identify the factors influencing CSR disclosure.

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