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Corporate Social Responsibility Disclosure: A Determinant Analysis (Case Study Manufacturing Companies Listed on the Indonesia Stock Exchange)

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A B S T R A C T

This study aims to determine the effect of environmental performance, audit committee, profitability, Leverage, and company size to corporate social responsibility (CSR) disclosure in companies listed on the Indonesia Stock Exchange. Corporate Social Responsibility disclosure measured by CSR index based on the Global Reporting Initiative (GRI) G4. The population of this study are manufacturing company listed on Indonesian Stock Exchange in 2017-2019. Data collected by documentation method and literature study. Sampling using purposive sampling method, and obtained 18 companies in each period. Sources of data obtained from annual reports of companies listed on Indonesia Stock Exchange in 2017-2019. The analytical method for this study uses multiple regression analysis with SPSS 16. The result of this study showed that environmental performance and company size has positive effect to CSR disclosure. Audit committee and profitability has not effect to CSR disclosure, while Leverage has negative effect to CSR disclosure.

1. INTRODUCTION

One of the key factors for the success and survival of a company is CSR. The development of CSR for the Indonesian context can be seen from two different perspectives. First, CSR implementation is indeed a voluntary business practice, meaning that CSR implementation comes mostly from company initiatives. Second, the implementation of CSR is no longer a discretionary business practice but rather the implementation that has been regulated by law and is mandatory (Rosalia 2018: 1).

There are reasons for companies to disclose CSR information, including to comply with government regulations through Law No. 40 of 2007 concerning limited liability companies is issued and requires companies whose business fields are related to the field of natural resources to carry out social and environmental responsibility reporting. Another regulation that pertains to CSR is Law No.25 of 2007 concerning investment article 15 (b) which states that every investor is obliged to carry out corporate social responsibility (Purnasiwi, 2011: 20).

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In addition, the reasons for the disclosure of CSR by companies are to gain competitive advantage, to fulfill loan contract terms and meet community expectations, to legitimize company actions, and to attract investors. CSR is seen as helping companies improve financial performance and access to capital, increase brand image and sales, maintain the quality of work force, improve decision making on critical issues, more efficiently and reduce long-term costs (Purnasiwi, 2011: 20) .

In making investment decisions, investors often see the size of the company. The size of a large company will be in the spotlight of the community and other stakeholders. Because large companies are not only able to prosper the owners and shareholders but the stakeholders as a whole. Signaling theory states that large companies signal that the company has a high level of responsibility not only for the prosperity of its owners or shareholders, but also for the benefit of stakeholders as a whole. The bigger the company, the higher the management initiative will signal the quality of corporate social responsibility activities through disclosure of social responsibility (Andiyani & Antonius, 2012).

Other decision making can be seen from the company's ability to generate profits as well as from the company's leverage. Hill & Junes (1992) says that profitability is a factor that makes management free and flexible to disclose social responsibility to shareholders. The relationship between profitability and CSR is that when the company has a high level of profit, the company (management) considers it unnecessary to report things that can disturb information about financial success. Conversely, when the level of profitability is low, the company will expect report users to read the company's performance report.

Leverage is a tool to measure how much the company depends on creditors in financing the company's assets. Companies that have a high degree of leverage mean that they are heavily dependent on external loans to finance their assets. Meanwhile, companies that have a lower level of financial leverage finance their assets with their own capital. Another factor that affects CSR is environmental performance. According to (Lako 2011: 416) environmental performance is the company's performance to take part in preserving the environment.

Research on CSR has been widely carried out and has had mixed results. This is because the variables used by researchers to research CSR are very diverse. As in research conducted by Eko Putri (2014: 2) regarding the effect of profitability on CSR disclosure, which states that profitability has a significant effect on CSR disclosure. Purnasiwi's research (2011: 2) reveals that company size, profitability and leverage have a significant effect on disclosure of responsibilities. corporate social responsibility listed on the Indonesia Stock Exchange in 2009.

Research by Makhdalena et al (2016: 2) reveals that the Independent Commissioner and the Audit Committee have a positive effect on CSR disclosure in mining companies listed on the Indonesia Stock Exchange in the 2012-2014 period. Then Raharja's research (2012: 3) states that environmental performance, size, profitability and profile have an effect on CSR disclosure, while board size and leverage are proven to have no effect on CSR disclosure. On the other hand, researchers Rahman and Widyasari (2008: 2) reveal that leverage, company size and profitability have no significant effect on CSR. Sanjaya’s research (2014) confirms that the size of the board of commissioners and leverage does not affect the disclosure of corporate social responsibility, while company size, profitability, and environmental performance affect the disclosure of corporate social responsibility.

In previous research, there was a gap found, where many researchers used various variables and presented various results, so that research on CSR needs to be done again to find the factors that clearly influence CSR, so the disclosure of social responsibility still needs further investigation in Indonesia. so that the authors are encouraged to conduct research on the Effect of Environmental Performance, Audit Committee, Profitability, leverage, and company size on CSR Disclosure (Empirical Study of Manufacturing Companies Listed on the IDX 2017-2019).

Based on the background of the problem by considering the limitation of the problem above, the problem formulations in this study are:

1. Does Environmental Performance affect CSR Disclosure?

2. Does Profitability affect CSR Disclosure?
3. Does the Audit Committee affect the CSR Disclosure?
4. Does Company Size affect CSR Disclosure?
5. Does Leverage affect the CSR Disclosure?

2. LITERATURE REVIEW

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a company effort to increase awareness of social and environmental issues in business activities and also on how the company interacts with stakeholders (parties related to an issue or plan) which is done voluntarily. According to Totok M, (2014: 92) There is still no single definition of CSR that has been approved globally, because the definition of CSR and CSR components can differ in other countries or regions, but generally CSR is about the relationship between companies and stakeholders in it there are values of fulfilling legal provisions, as well as respect for the community and the environment, as well as the company's commitment to contribute to sustainable development. CSR is not only a corporate charitable activity and is not limited to meeting legal regulations.

Environmental Performance

Environmental performance is the company's performance to contribute to preserving the environment. Environmental performance is made in the form of a rating by an institution related to the environment (Wibisono 2013: 416). Proper, which is an environmental rating program from the Ministry of Environment, for example, is a rating based on the environmental performance of each company, so that it can be compared and become a correction for the company.

Environmental performance is very much influenced by the extent to which the agencies, especially government agencies, encourage environmental management, besides that environmental performance will also reach a high level if the company proactively carries out various controlled environmental management actions (Oktalia 2014: 4). The company pays attention to the environment as a form of corporate responsibility and care for the environment (Lako 2011: 416). The community living in the vicinity of the company has an interest in the social and environmental impacts arising from the company's activities (Untung 2012: 416). The existence of company awareness that determines good environmental performance is actually a manifestation as well as a meeting point between the interests of corporate ethical actors and the essence of a sustainable development strategy by integrating economic, social, community and environmental development (Rakhiemah & Agustina, 2012).

Profitability

Profitability is an indicator of performance by management in managing company assets (Linda Agustina, 2012: 4). According to Kusumadilaga (2010: 333), profitability is the company's ability to generate net income from activities carried out by the company in the accounting period. According to Kamil and Herusetya (2012: 333), the higher level of profitability reflects the entity's ability to generate higher profits, so that the entity is able to increase social responsibility, and disclose its social responsibility in a wider financial report.

The profitability ratio measures the ability of company executives to create a level of profit, both in the form of company profits and economic value on sales, company net assets and shareholders equity (Sari, 2012: 7). According to Suryono and Prastiwi (2011: 7), the disclosure of this sustainability report is carried out in the framework of being accountable to stakeholders to maintain their support and also to fulfill their information needs. The greater the level of profitability indicates that the company is able to get a greater profit, so that the company is able to increase its social responsibility activities, as well as to disclose its social responsibility in a wider annual report.

Audit Committee

The audit committee is a committee formed by the board of commissioners whose task is to carry out independent oversight of the financial reporting process and external audits. The existence of an audit committee is useful to ensure transparency, openness of financial reports, fairness for all stakeholders and disclosure of all information carried out by management even though there are conflicts of interest. Thus, the audit committee within the company can be an effort to reduce manipulation in the presentation of accounting information so that the integrity of financial statements can be increased (Julia et al., 2017).

Based on agency theory, the principal has the goal of increasing profit. The existence of an audit committee in a company can help improve the quality of disclosure of social responsibility information, so that the increasing quality of disclosure of social responsibility information will increase the company's profits. This means that the more audit committees, the better the quality of CSR, and quality CSR will bring profit. The existence of an audit committee supports the principle of accountability in implementing Good Corporate Governance which requires companies to provide better information to stakeholders in order to avoid misleading information, fraud, insider information that only benefits a few parties (Diyanti, 2010: 4). One of the information provided by the company to stakeholders is CSR disclosure (Nugroho and Yulianto, 2015: 4).

Company Size

Nyoman and Ketut, (2017: 1252) company size is the size or size of a company which can be seen through the amount of equity, sales and total assets of the company. The greater the total assets of the company can illustrate that the company has reached its maturity stage. A company that is in its maturity stage has a positive cash flow and is expected to have beneficial aspects in a relatively long period of time. Rai and Merta (2016: 1252) say that the size of the total assets and capital used by the company is a reflection of the size of the company.

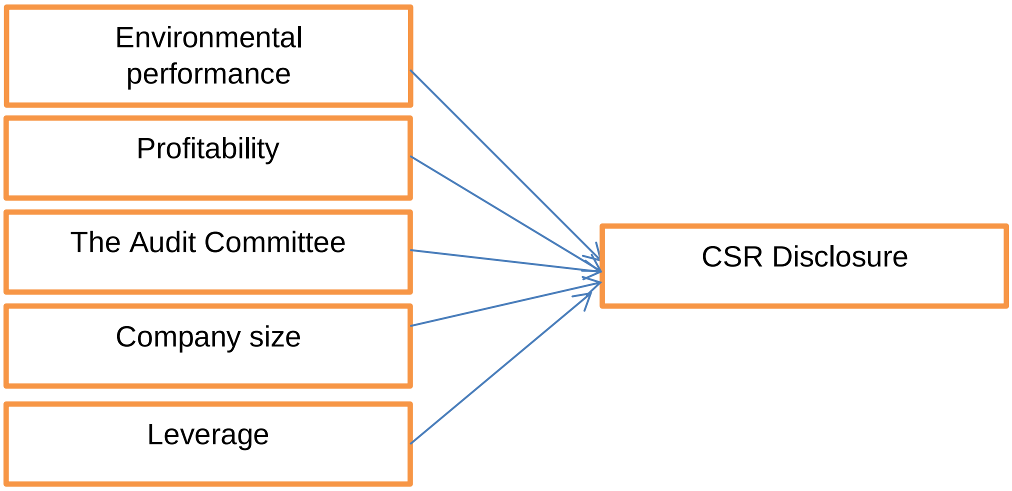
Company size has a significant effect on CSR. This is because large companies as measured by total assets will disclose more information than small companies. Large companies tend to get pressure to carry out social activities related to the environment and society so that large companies will incur additional costs related to the disclosure of social responsibility that is carried out and will disclose additional information so that it can be viewed positively by the community.

Company size can be based on total assets (fixed assets, intangible, etc.), number of workers, sales volume and market capitalization (Purnasiwi, 2011: 9). The size of the company as measured by total assets will be transformed in the logarithm of natural to equalize with other variables because the company's total assets are relatively large compared to other variables (ln of total assets) (Putra, 2011: 9). In this study, company size is expressed by ln of total assets. This measurement is carried out to determine that the greater the total assets owned, the greater the social responsibility that must be disclosed. Company size is the total assets (fixed assets, intangible assets and other assets), total sales, or the number of workers owned by the company until the end of the financial reporting period.

Leverage

Companies can use debt (leverage) to raise capital for higher profits. Leverage is the company's ability to pay off the company's financial obligations, both short and long term. Leverage can be said that a financial ratio that measures how much a company is financed using debt (Wiagustini, 2010: 76; Finthariasari, 2018). The use of too much debt is not good because it is feared that there will be a decrease in the company's profits. This means that the higher the value of leverage will describe the investment that is carried out with a large risk, while the small leverage will show that the investment carried out has a small risk (Analisa, 2011: 1252). Leverage is a description of the use of a company's debt to finance the company's operational activities. Leverage management is very important, because the decision to use high debt can increase company value due to a reduction in income tax (Nyoman and Ketut, 2017: 1252).

Theoretical Framework



H1: Environmental performance affects CSR disclosure
H2: Profitability affects CSR disclosure.
H3: The Audit Committee has an effect on CSR disclosure
H4: Company size affects CSR disclosure
H5: Leverage has an effect on CSR disclosure

3. RESEARCH METHODS

This research is a quantitative research, where the data used is secondary data from financial reports and annual reports of manufacturing companies listed on the Indonesia Stock Exchange. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018. The method used in object selection is purposive sampling, which is a method of selecting objects using certain criteria. The criteria used are as follows.

1. Manufacturing companies listed consecutively on the Indonesia Stock Exchange in 2016-2018.
2. Manufacturing companies that were registered consecutively in Proper 2016-2018.
3. The company did not experience a loss in the 2016-2018 research year.
4. Companies that use the rupiah currency in the 2016-2018 research year.

Based on the previously determined criteria, there are 18 research sample companies with a period of 3 years and the number of observations (n) as many as 54. The independent variables consist of Environmental Performance variables, Audit Committee, Profitability, leverage, Company Size. Meanwhile the dependent variable is the Corporate Social Responsibility disclosure. The names of the companies in the research sample are as follows:

Table 1
Company Samples

NO	KODE	Nama Perusahaan
1	INDF	Indofood Sukses Makmur Tbk
2	ICBP	Indofood CBP Sukses Maksur Tbk
3	KLBF	Kalbe Farma Tbk

4	INTP	Indocoment Tunggal Prakasa Tbk
5	SMBR	Semen Baturaja Persero Tbk
6	TOTO	Surya Toto Indonesia Tbk
7	MYOR	Mayor indah Tbk
8	JPFA	Japfa Comfeed Indonesia Tbk
9	MAIN	Malindo Feedmill Tbk
10	CPIN	Charoen Pokphand Indonesia Tbk
11	KAEF	Kimia Farma Tbk
12	MERK	Merck Tbk
13	BOLT	Garuda Metalindo Tbk
14	SPMA	Suparma Tbk
15	GGRM	Gudang Garam Tbk
16	KBLM	Kabelindo Murni Tbk
17	KBLI	KMI Wire and Cable Tbk
18	SMGR	Semen Indonesia Tbk

The data obtained will be processed using the SPSS-20 analysis tools.

4. RESULTS AND DISCUSSION

Research Results
Descriptive Statistics Calculation Results Data

Table 2
Descriptive Statistical Data Calculation Results
Descriptive Statistics

		N	Minimum	Maximum	Mean	Std. Deviation
KL		48	2.00	4.00	3.1667	.47639
ROE		48	.02	2.24	.1927	.30835
KA		48	3.00	6.00	3.3125	.71923
UK		48	11.87	13.98	13.0268	.61284
DER		48	.15	1.82	.7023	.39023
CSR		48	.09	.19	.1362	.02953
Valid (listwise)	N	48				

Source: secondary data processed, 2020

Based on the SPSS output above, the following results are obtained:

1. Environmental performance

The environmental performance variable (KL) shows the minimum value is 2.00 while the maximum value is 4.00. The average value (mean) is 3.1667, which means that companies listed in PROPER have an average rating of 3.1667. The standard deviation of environmental performance is 0.47639, which is the variation in environmental performance.

2. Profitability

The profitability variable (ROE) shows the minimum value is 0.02, while the maximum value is 2.24. The average value (Mean) is 0.1927, which means that the ratio of net income and total equity in a company is 0.1927 on average. The standard deviation of Profitability is 0.30835 which is the variation contained in Profitability.

3. Audit committee

The Audit Committee variable (KA) shows the minimum value is 3.00 while the maximum value is 6.00. The average value (Mean) is 3,3125, which means that the number of audit committees in a company on average is 3,3125. The standard deviation of the Audit Committee is 0.71923, which is a variation in the Audit Committee.

4. Company size

The firm size variable shows the minimum value is 11.87 while the maximum value is 13.97. The average value (Mean) is 13.0268, which means that the total assets in a company are 13.0268 on average. The standard deviation of Company Size (UP) is 0.61284 which is a variation contained in Company Size.

5. Leverage

The Leverage variable (DER) shows the minimum value is 0.15 while the maximum value is 1.82. The average value (Mean) is 0.7023, which means that the ratio of total debt and total equity in a company is an average of 0.7023. The standard deviation of Leverage is 0.39023 which is the variation contained in Leverage.

6. CSR Disclosure

The CSR disclosure variable shows a minimum value of 0.09 while the maximum value is 0.19. The average value (Mean) of the CSR disclosure variable is 0.1362, which means that the average number of indicators disclosed by the company is 0.1362. The standard deviation of CSR disclosure is 0.02953 which is the variation contained in CSR disclosure.

Test classical assumptions

A. Normality

The data normality test was performed using the Kolmogorov model Smirnov with alpha testing of 5% or 0.05. The test criterion is accept null hypothesis if the p-value of the Kolmogorov Smirnov test is greater than 5% or 0.05. The results of the normality test carried out in this study can be seen in the following table:

Table 3
Normality test results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		48
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	.00742406
Most Extreme Differences	Absolute	.105
	Positive	.105
	Negative	-.057
Kolmogorov-Smirnov Z		.728
Asymp. Sig. (2-tailed)		.664
a. Test distribution is Normal.		

Source: secondary data processed, 2020

Based on the results of the analysis above, the significance value in the normality test is 0.664, meaning that the significance value is greater than 0.05 so that the data that has been tested are normally distributed.

B. Multicollinearity Test

Table 4
Multicollinearity test results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	-.314	.060		-5.206	.000		
	KL	.013	.006	.213	2.043	.047	.750	1.334
	ROE	-.011	.009	-.117	-1.207	.234	.865	1.156
	KA	-.002	.004	-.051	-.537	.594	.893	1.120
	UK	.032	.005	.664	6.411	.000	.761	1.315
	DER	.001	.007	.008	.082	.935	.836	1.196

a. Dependent Variable: CSR

Source: secondary data processed, 2020

Based on the results of the multicollinearity test analysis above Environmental Performance, the Audit Committee, Profitability, Leverage, and Company Size have a Tolerance value greater than 0.10 and have a VIF value less than 10 meaning that the variable is free from multicollinearity or can be trusted and objective.

C. Heteroscedasticity Test

Table 5
Heteroscedasticity test results

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.057	.026		2.198	.034
	KL	-.003	.003	-.193	-1.249	.218
	ROE	-.007	.004	-.266	-1.856	.071
	KA	.003	.002	.264	1.866	.069
	UK	-.003	.002	-.231	-1.512	.138
	DER	.003	.003	.142	.973	.336

a. Dependent Variable: absres

Source: secondary data processed, 2020

Based on the test results above, it shows a significance value above the value of 0.05. So it can be concluded that the regression model data does not occur heteroscedasticity.

Multiple Regression Analysis

Table 6
The results of multiple regression analysis
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.314	.060		-5.206	.000
	KL	.013	.006	.213	2.043	.047
	ROE	-.011	.009	-.117	-1.207	.234
	KA	-.002	.004	-.051	-.537	.594
	UK	.032	.005	.664	6.411	.000
	DER	.001	.007	.008	.082	.935

a. Dependent Variable: CSR

Source: secondary data processed, 2020

From the table above, the regression equation can be drawn up as follows:

CSR = -0.314 KL+ 0.013 ROE-0.011KA-0.002KA+ 0.032UK+ 0.001DER+ e

From this equation it can be explained as follows:

1. In the regression equation above, the constant value is -0.314 which means that if the environmental performance variable, Audit Committee, Profitability, Leverage and Company Size are considered constant, the CSR Disclosure variable will remain at -0.314. This applies when research is carried out.
2. The value of the environmental performance coefficient (KL) of 0.013 indicates that every one year additional environmental performance value, the CSR Disclosure will increase by 1.3%.
3. The value of the profitability coefficient (ROE) of 0.011 indicates that every one year increase in the value of profitability, the CSR Disclosure will decrease by 1.1%.
4. The value of the coefficient of the audit committee (KA) is -0.002, indicating that every one year increase in the value of the audit committee, the CSR Disclosure will decrease by 0.2%.
5. The value of the coefficient of company size (UP) is 0.032, indicating that each additional one year the value of the company size will increase by 3.2%.
6. The value of the leverage coefficient (DER) of 0.001 indicates that every one year addition of the leverage value, the CSR Disclosure will increase by 0.1%.
7. Standard error is a disturbance term. This means the values of other variables that are not included in the equation. This value is usually overlooked in calculations.

Test the coefficient of determination (R2)

Table 7
The result of the coefficient of determination (R2)
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811[a]	.658	.617	.01828

a. Predictors: (Constant), DER, UK, KA, ROE, KL

b. Dependent Variable: CSR

Source: secondary data processed, 2020

Based on the table above, the Adjusted R Square shows a value of 0.617. This means that 61.7% of CSR discolusre can be explained by variations of the four independent variables (Environmental Performance, Audit Committee, Profitability, Leverage, and Company Size). Meanwhile, the rest is explained by causes other than the model.

Statistical test

Table 8
Statistical test results t

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-.314	.060		-5.206	.000
	KL	.013	.006	.213	2.043	.047
	ROE	-.011	.009	-.117	-1.207	.234
	KA	-.002	.004	-.051	-.537	.594
	UK	.032	.005	.664	6.411	.000
	DER	.001	.007	.008	.082	.935

a. Dependent Variable: CSR

Source: secondary data processed, 2020

The results of the statistical test above can be interpreted as follows:

1. Testing the first hypothesis
   Environmental performance (KL) affects CSR Disclosure.
   Based on the calculations as shown in the table above, the coefficient value is 0.013. The estimation result of environmental performance variable is t value of 2.043 and a significance value of 0.047 means that the value is less than 0.05. This shows that environmental performance has an effect on CSR Disclosure. The results of the study show that the results are consistent with the first hypothesis built, namely that environmental performance has an effect on CSR Disclosure so that the first hypothesis is accepted.
2. Testing the second hypothesis
   Profitability (ROE) has no effect on CSR Disclosure.
   Based on the calculations as shown in the table above, the coefficient value is -0.011. The estimation result of the profitability variable (ROE) is at a value of t -1.207 and a significance value of 0.234, then the value is greater than 0.05. This shows that profitability has no effect on CSR Disclosure. The results showed that the results were inconsistent with the third hypothesis that was built, namely that profitability had an effect on CSR Disclosure so that the third hypothesis was rejected.
3. Testing the third hypothesis
   The audit committee (KA) has no effect on CSR Disclosure.
   Based on the calculations as shown in the table above, the coefficient value is -0.002. The estimation result of the audit committee variable is at a value of t -0.537 and a

significance value of 0.594, then the value is greater than 0.05. This shows that the audit committee has no effect on CSR Disclosure. The results showed that the results were inconsistent with the second hypothesis that was built, namely that the audit committee had an effect on CSR Disclosure so that the second hypothesis was rejected.

4. The fourth hypothesis
   Company size (UP) affects CSR Disclosure.
   Based on the calculations as shown in the table above, the coefficient value in a positive direction is 0.032. The estimation result of company size variable (UP) is t value of 0.664 and a significance value of 0.000, so the value is less than 0.05. This shows that company size has an effect on CSR Disclosure. The results of the study show that the results are consistent with the fifth hypothesis built, namely that company size has an effect on CSR Disclosure so that the fifth hypothesis is accepted.
5. Testing the fifth hypothesis
   Leverage (DER) has no effect on CSR Disclosure.
   Based on the calculations as shown in the table above, the coefficient value is 0.001. The estimation result of the leverage variable (DER) is at a t value of 0.082 and a large significance value of 0.935, then the value is greater than 0.05. This shows that leverage has no effect on CSR Disclosure. The results showed that the results were inconsistent with the fourth hypothesis that was built, namely that leverage has an effect on CSR Disclosure so that the fourth hypothesis is rejected.

Discussion

This study aims to determine the effect of environmental performance, profitability, audit committee, company size, and leverage on CSR Disclosure in manufacturing companies listed on the IDX for the 2017-2019 period.

The effect of environmental performance on CSR Disclosure

Environmental performance is the company's performance in creating a good (green) environment. Environmental performance is measured by the company's achievements in participating in the PROPER program, which is one of the efforts made by the Ministry of Environment (KLH) to encourage corporate structuring in environmental management through information instruments. The company's performance in Proper is assessed based on 5 color ratings, namely:
Gold: Very, very good, score = 5
Green: Very good, score = 4
Blue: Good, score = 3
Red: Bad, score = 2
Black: Very bad, score = 1

Based on the results of SPSS 16, it is known that partially, the regression coefficient of the environmental performance variable (KL) is 0.13. Each increase in environmental performance will increase CSR disclosure by 0.13 or 1.3%. The significant value shows a number of 0.047, which is smaller than 0.05, which means that environmental performance has an influence on CSR Disclosure.

The results of this study support the agency theory which states that the principal assesses the agent's performance based on his ability to increase profits to be allocated to dividends so that the higher the profits, stock prices and dividends, the agent will be considered successful so that it deserves a high incentive. As with environmental performance, the greater the environmental performance of the company, the higher the quality of CSR disclosures and the greater the profits the company earns so that it will incentivize management

Effect of profitability on CSR Disclosure

Profitability is a ratio to assess the company's ability to earn profits. The profitability ratio in this study is measured using Return On Equity (ROE). ROE is calculated by comparing the net profit after tax to total equity. The higher level of profitability reflects the entity's ability to generate higher profits, so that the entity is able to increase social responsibility, as well as to disclose its social responsibility in a wider financial report.

Based on the results of SPSS 16, it is known that partially, the regression coefficient of the profitability variable is -0.011. Each increase in the audit committee will reduce CSR disclosure by -0.011 or 1.1%. The significant value shows a number of 0.234, whose value is greater than 0.05, which means that profitability has no effect on CSR Disclosure.

The reason for the rejection of this hypothesis is because low profitability also reflects that the profits earned by the company are low. Low profits are not too good for the company and shareholders, so the company will display its social activities to provide good news for users of its reports. Conversely, when profitability is high, shareholders who are the parties who benefit from the company want high profits without having to think about things that affect these profits such as additional costs to disclose CSR which results in competitive losses. This is in line with the theory of legitimacy, which states that the relationship between profitability and the level of social responsibility disclosure is that when the company has a high level of profit, the company (management) considers it unnecessary to report things that can interfere with information about the company's financial success. Conversely, when the level of profitability is low, they expect report users to read the “good news” of the company's performance, for example in the social sphere, and thus investors will continue to invest in the company.

The effect of the audit committee on the CSR Disclosure

The audit committee is the party that assists the board of commissioners to ensure that the company has presented fair financial reports in accordance with generally accepted accounting principles. Audit committee size is measured by counting the number of audit committee members included in the company's annual report.

Based on the results of SPSS 16, it is known that partially, the audit committee variable regression coefficient (KA) is -0.002. Each increase in the audit committee will reduce CSR disclosure by -0.002 or 0.2%. The significant value shows a number of 0.594, which value is greater than 0.05, it means that the audit committee has no influence on CSR Disclosure.

The reason for the rejection of this hypothesis is because the large number of audit committees has not been an effective supervisory mechanism for ompany management. In addition, another reason is that in Table 4.2, the results of the descriptive analysis, most of the sample companies have a total of 3 audit committees. This is in line with the decision of the Chairman of Bapepam Number Kep-29 / PM / 2004 which is contained in regulation Number IX.I.5, that the audit Committee owned by a company consists of at least three people, where at least 1 (one) person is from the Commissioner. Independent and 2 (two) other members from outside the issuer or company public. Thus, it can be concluded that the audit committee has no effect on CSR disclosure because it is possible that the number of audit committees is only a formality as a basis for fulfilling the decision of the chairman of Bapepam so that the formation of the audit committee does not consider the effectiveness of the company.

The influence of company size on CSR Disclosure

Company size is the size of a company. The indicator used in this study to measure the level of company size is the company's total assets. Based on the results of SPSS 16, it is known that partially, the regression coefficient of the firm size variable is 0.032. Each increase in company size will increase CSR disclosure by 0.032 or 3.2%. The significant value shows a number of 0.000, which is smaller than 0.05, which means that company size has an influence on CSR Disclosure.

Thus, it can be concluded that the size of the company is small, so the CSR disclosure is also large in the company's annual report. Big companies and small companies have an obligation to carry out their social responsibility. This is because based on Law No.

40 of 2007 each company has a commitment to play a role in social and environmental responsibility.

Effect of leverage on CSR Disclosure

Leverage is the company's ability to pay off the company's financial obligations, both short and long term. Leverage can be said that a financial ratio that measures how much a company is financed using debt. Leverage shows the level of dependence of a company on debt in financing its operating activities. In this study, the indicator used to measure leverage is the Debt to Equity Ratio (DER). DER is calculated by comparing total debt to total equity.

Based on the results of SPSS 16, it is known that partially, the regression coefficient of the leverage variable is 0.001 which means that the leverage is not in line with the CSR Disclosure. Each increase in leverage will increase CSR disclosure by 0.001 or 0.1%. The significant value indicates a number of 0.082, which is greater than 0.05. This shows that leverage has no effect on CSR Disclosure.

5. CONCLUSIONS

Based on the results of data analysis and discussion described in Chapters III and IV, the conclusions of this study are:

1. The results of the t test for environmental performance have an effect on CSR Disclosure in manufacturing companies listed on the IDX for the 2016-2018 period. Information about environmental performance can be used to predict CSR Disclosure. The wider the environmental performance, the wider the disclosure of CSR Disclosure.
2. The results of the audit committee t test have no impact on CSR Disclosure in manufacturing companies listed on the IDX for the 2016-2018 period. Information regarding the audit committee cannot be used to predict CSR Disclosure.
3. The results of the t test for profitability have no effect on CSR Disclosure in manufacturing companies listed on the IDX for the 2016-2018 period. Information regarding profitability cannot be used to predict CSR Disclosure.
4. The results of the leverage t test have no effect on CSR Disclosure in manufacturing companies listed on the IDX for the 2016-2018 period. Information regarding leverage cannot be used to predict CSR Disclosure. The level of leverage does not affect the disclosure of CSR Disclosure.
5. The results of the t test company size have an effect on CSR Disclosure in manufacturing companies listed on the IDX for the 2016-2018 period. Information about company size can be used to predict CSR Disclosure. The higher the size of the company, the wider the disclosure of CSR Disclosure.

Suggestions

Researchers have several suggestions that can be taken into consideration for future researchers:

1. For companies, the environmental performance variables and company size must be increased in order to increase social responsibility (CSR).
2. The large number of audit committees is not yet an effective oversight mechanism for company management. Similar to Andriyani and Abriyani's research, the audit committee has no effect on CSR Disclosure. This is due to the possibility that the number of audit committees is only a formality to comply with Bapepeam Regulation Number IX.I.5 concerning the establishment and implementation of guidelines for audit committee work, without considering the effectiveness and complexity of the company.
3. The level of profitability does not interfere with CSR disclosure, when the profitability is high, the company discloses CSR, as well as when the profitability

is low the company also discloses CSR. Because CSR is an obligation that must be disclosed by every company.

4. The smaller the leverage, the higher the company's social responsibility (CSR), and the greater the leverage, the lower the company's responsibility (CSR). Companies should not pay attention to the size or the small amount of leverage anymore because CSR is an obligation that must be disclosed by every company.For further research, it is better to expand the observation period, add research variables, and add samples so that the results are more accurate in CSR disclosure.

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