Determination of Corporate Social Responsibility Disclosure Based on the Ownership Structures: Evidence from Companies Listed on SRI-KEHATI Index

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Abstract
Objective – The ownership structure dispersed into state ownership, foreign ownership, institutional ownership, and corporate ownership. This study aims to examine the influence of ownership structure on Corporate Social Responsibility Disclosure which is measured by 40 Corporate Social Responsibility indicators developed by Dias in 2017.

Design/methodology – This study utilizes the samples from companies listed on SRI-KEHATI Index for the year 2013-2017. Purposive sampling technique was applied resulting in 9 companies were chosen for a total 45 observation data. Multiple linear regression analysis is utilized for the hypotheses testing.

Results – The result of this study revealed that all independent variables simultaneously influenced the dependent variable. Partially, foreign ownership and institutional ownership determined the Corporate Social Responsibility Disclosure, but there is no influence for state ownership and corporate ownership on Corporate Social Responsibility Disclosure.

Keywords: Corporate Social Responsibility Disclosure, State Ownership, Foreign Ownership, Institutional Ownership, Corporate Ownership, SRI-KEHATI Index.

1. Introduction

CSR (Corporate Social Responsibility) concept has received a weighty amount of awareness worldwide towards the business impact on society and environment over decades. The concept was first introduced in the business environment in 1924 by Sheldon (1924). Since that time, the traditional view of business exists only to make profit has changed. Moreover, corporate scandals happened all over the world had put the firms to have social and environmental elements as part of their corporate aims besides financial aspects (Margolis and Walsh, 2003).

Corporate scandals are due to the greediness of firm in exploiting scarce resources in order to gain profit, regardless of the aftermath for both society and environment (Habbash, 2016). Several social and environmental disasters occurred in recent decade are the obvious result of the negative implication of business practice. For instance, a tragedy taken place in India 1984 where the toxic gas released and left around 16,000 people dead in few days. Moreover, the explosion of Chernobyl Nuclear Power Plant in Ukraine 1986 which caused more than a few deaths and leaving the place uninhabitable because of the dangerous conditions. Similarly, such condition happened in Indonesia 2006 where the business operation of Lapindo Brantas Inc caused Lapindo Mud Flow that remains up to these days. Moreover, the globalization and international trade also contribute to the emerging concern of CSR practice on firms. Those conditions lead to increased business complexity and new demand to enhance transparency and corporate citizenship (Jamali et al., 2008). Hence, firms are put under pressure from societies, investors, and other stakeholders to act socially and behave responsibly in their business operation nowadays. CSR is the social investment strategic of firms to contribute to the development of society (Sufian and Zahan, 2013).

The importance of CSR also being concern in Indonesia, as government regulated through the Act No. 40 Year (2007) Article 74 (1) concerning Limited Liability Company

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requires a company whose field of business is in or related to the field of natural resources to carry out social responsibility and environment. Another rule related to CSR is Act No. 25 Year (2007) on Capital Investment, wherein article 15 (1) states that every investor is obligated to perform corporate social responsibility. Thus, CSR is an obligation that must be implemented by every company. Another key point to remember, the government also made regulations regarding CSR disclosure, stipulated in the Act No. 40 Year (2007) Article 66 paragraph 2 states, that the annual report should contain CSR disclosure. Even, KPMG (2011) reported that the practice of disclosing information regarding the environmental and social activities of firm these days is quite popular to the extent that it is acknowledged as “the de facto law for business”.

Ownership structure refers to the way in which the capital of a firm is dispersed, both for the degree of capital concentration and for the right of votes. It interprets that the nature of the property and the identity of the controlling shareholders affect the firm’s performance due to the dependence on strategic positioning in association with the alignment of interests between the parties (Almeida et al., 2015). Thus, CSR practices cannot be separated from the implementation of good corporate governance in organization. In line with that, recent researches posit that differences in corporate governance have an influence on CSR (Dam and Scholtens, 2012; Hu et al., 2016; Li et al., 2013). Similarly, Prado-Lorenzo et al. (2009) asserted if there are factors that potentially influence the CSR disclosure, both in quality and quantity level, and those are including corporate characteristic regarding to the firm size and industry type, contextual matters such as country of origin or time, and internal factors, such as stock ownership of the firms. Although there has been a significant study investigating the determinants of CSR, the effect of controlling ownership structures on CSR reporting has not been widely investigated. Hence, the following approaches to ownership structure exist; state ownership, foreign ownership, institutional ownership, and corporate ownership.

State ownership of a company posits that the company in running its business is along with the government value and objective that is to serve community at large (Li et al., 2013). Beside viewed itself as an investor that can influence the company decision through the right of votes as it is held some portions of a firm’s stock, government also can influence the company through regulation set and issuance as it plays its role as a regulatory body. The regulation issued related to the CSR practice in an organization is the proof of government concern upon the issue.

The existence of foreign investors in local company do put the company concerns upon the social and environmental issue increased. It is believed that the foreign investors considered CSR practice and its reporting information is a must or desirable (Hu et al., 2016). This condition might drive the local company to concern about CSR disclosure practice in order to build company reputation and legitimacy.

Same reasons as foreign investors, institutional investors and corporate investors invest their funds in other entities because of the company reputation and legitimacy. Particularly, the institutional investors that held ownership on a company outstanding share likely to oversee the business operation of the company. The higher the portion or more than 5% of institutional ownership on a company indicates their ability to monitor the management performance (Siagian, 2011).

It is argued that the existence of different ownership types in a company indicates the company success in building trust among investors. The dispersed ownership also indicates that the company has high and good credibility in the public views. Hence, in order to maintain its investor trust and legitimacy on society, company is likely to disclose more information related to their CSR involvement (Badjuri, 2011).

Despite the conditions, findings regarding the relationship between ownership structure and corporate disclosure are mixed. Oh et al. (2011) and Hu et al. (2016) reported that the CSR disclosure is influenced positively by ownership structure. However, Dam and Scholtens (2012) and Almeida et al. (2015) reported a negative relationship between ownership types and disclosure of firm’s social activities. Even, the study
conducted by Prado-Lorenzo et al. (2009) found if there is no association between ownership structure and disclosure of CSR information.

Those studies posit, even there has been a significant study examining the issue, the finding results regarding the effect between ownership structure and CSR disclosure are still initial and inconclusive. Moreover, since different types of owner have differential influences on the companies’ CSR engagement, it is worthwhile to study the influence of different ownership type on firms and the CSR reporting practice.

SRI-KEHATI Index was launched in 2009 by Foundation of Keanekaragaman Hayati Indonesia (KEHATI) cooperation with Indonesian Stock Exchange (IDX). SRI is abbreviation of Sustainable and Responsible Investment, where the companies listed over the stock price index are public companies which have good performance in social and environmental activities as well as on its corporate governance (Kusumaningtyas and Andayani, 2015). Therefore, this study aims to examine the influence of different types of firms’ ownership on corporate social responsibility disclosure (CSRD) of the companies listed on SRI-KEHATI Index. The remaining of this paper is structured as follow; Introduction, Literature Review, Research Method, Result and Discussion, Conclusion, Recommendation, and Limitation.

2. Literature Review

Corporate Social Responsibility Disclosure

This research relies on the stakeholder theory where it posits that the stakeholders play a major role on firms’ success and survival in the long-run (Laan et al., 2005), and legitimacy theory that stated the idea that there is a “social contract” between the business and the society in which it operates (Deegan and Unerman, 2011). Thus, in order to gain their support, firms should act in agree with the stakeholders expectation by involving in CSR activities and by disclosing the information of environmental and social action conducted as they demand (Freedman and Jaggi, 2005). Also, through the issuance of a CSR disclosure, firms are able to illustrate that their operations are consistent with social norms and expectations where they are settled, therefore they are legitimate. Coupled with that, Bayoud et al. (2012) declared that a high level of CSR disclosure is strongly associated with corporate reputation for stakeholder group.

Corporate Sustainability Reporting will reveal three performance categories namely economic performance, environmental performance, and social performance (Gantino et al., 2019). Corporate Social Responsibility Disclosure is defined as the process of communicating the social and environmental actions for organization to particular interest party within society and public at large (Gamerschlag et al., 2011). Moreover, it is acknowledge that the issuance of non-financial information is necessary to reduce information asymmetry that exists between management and stakeholders as well as to allow investors to better assess key areas of performance and support a broader view of corporate performance that encompasses society at large (Huang and Watson, 2015).

CSR disclosure consists of firms’ activities in regarding to their engagement in society development, aspirations and public image regarding environmental, labour, product, consumer, and any others social related issues (Gray et al., 2001). The objective of companies in disclosing such informations are coming with various reasons, such as enhancing the firms’ reputation and image, legitimizing business operation, promoting customer, community, and government relations, and reducing asymmetry of information between management and its stakeholders (Veronica Siregar and Bachtiar, 2010). According to Branco and Rodrigues (2008) CSR disclosures play essential mechanism to enhance the effect of CSR on business reputation as well as representing a signal of developed social and environmental conduct. Coupled with that, Bayoud et al. (2012) declared that a high level of CSR disclosure is strongly associated with corporate reputation for stakeholder group.
**State Ownership**

State ownership or government shareholding is defined as the amount of share owned by governments. Through the ownership portion of investment, governments have control over the firms and restraint over the policy made by management that agree with their interest. Thus, to maintain their existence and survival in the long-term, they must synchronized with governments expectation and demand, which is to serve society through CSR involvement (Li et al., 2013).

Stakeholders theory explained that to fulfil the demand of government in society concerned, firms will be involved in CSR activities and disclosure in order to act in social sense and compliance to the regulations made by government. In parallel with that, government issued regulations as stated on Act No. 40 Year 2007 regarding to the issue. Thus, the way governments show their controlled-power on firms policy as well as to promote CSR practice and its disclosure where it leads to enhance their reputation in society. Prior studies conducted by Habbash (2016) and Muttakin and Subramaniam (2015) found a positive relation between corporate ownership and CSRD.

**Foreign Ownership**

Foreign ownership in Act No. 25 Year (2007) Article 1 (6) defines as foreign investor in the form of individual, institutional, and government that does capital investment in Indonesia. Similarly, this is refers to the portion of share held by foreign investors on Indonesian listed companies. Foreign investors is concerning for long-term benefit through legitimacy obtained from stakeholders based on home market where it settled (Barkmeyer, 2007). It can be argued that the rises of foreign investors on the firms can be affected the entities to adopt foreign practice. Similarly, as Oh et al. (2011) revealed that the current trends of CSR practice in Asian companies today is much influenced by globalization and Western-style management practices, which have higher levels of social engagement.

Generally, higher portion of foreign ownership on firms indicates stronger foreign practice influenced, also a higher separation of ownership and management as a function of geographic distance (Haniffa and Cooke, 2002). Therefore, due to the geographic separation, foreign investors tend to demand higher level of corporate disclosure as a part of good corporate governance. Foreign investors tend to invest in entities that perform good corporate governance since effective on corporate governance reduces agency cost (Siagian, 2011). Thus, companies that held foreign ownership portion on its ownership structure viewed as CSR concerned companies and disclosed information related activities.

Stakeholder theory assumes the foreign investors are likely to invest in socially responsible companies since investment in foreign countries is uncertain due to increased information asymmetries. Therefore, investing in such companies is a way how foreign investors, especially institutional form of investors minimize the risk as well as to show their clients that they themselves are highly reputable. Coupled with that, foreign investors also considered CSR disclosure as a part of socially responsible behavior. Thus, it shows how foreign ownership support CSR performance and its reporting information. Prior studies conducted by Oh et al. (2011); Soliman et al. (2012); Muttakin and Subramaniam (2015) and Hu et al. (2016) found a positive relationship between foreign ownership and CSRD.

**Institutional Ownership**

Institutional ownership relates to shares investment held by institutional investors in Indonesia. Institutional investors have major influence on firms decision by exercising substantial voting rights, therefore stakeholder theory assumes that significant ownership by institutional investors are likely to gain management attention to inform (Hu et al., 2016). Thus, this type of investor are likely to support CSR action and information practice.
Siegel and Vitaliano (2007) explained the reason why institutional investor might support CSR involvement. According to their reasoning, institutional investors such as banks, finance companies, insurance companies, and investment trust offer credence services that faces lots of information asymmetries between the institutional investors and their clients. Therefore, by investing in socially responsible companies, institutional investors use CSR practice and its disclosed information of firms to signal to their potential clients that they are reliable and responsible, thus leads to differentiate their service. Likewise, future benefit, such as branding and image of firms engagement in CSR activities is also becoming the reason to support the practice. Coupled with the argument, prior studies conducted by Oh et al. (2011) Soliman et al. (2012) and Hu et al. (2016) found a positive association between institutional ownership and CSRD.

**Corporate Ownership**

Corporate ownership refers to stock investment held by firms. Firms do invest in other entities except for financial aims instead for strategic reasons such as branding image and potential of prospective mergers. If financial returns are the main objective in corporates portfolio investment, hence they are less probable to invest in other corporation that are extensively engage in CSR practice since the corporate investors viewed CSR is a cost and has limited benefits in the short-run (Hu et al., 2016)

Legitimacy theory explained by investing or acquiring a part or whole portion of another entity which has good reputation, it leads to improve their own reputations. Thus, for those reasons why corporate are likely to invest in other companies and support for their involvement in CSR activities and report its performance publicly. Hence, prior study conducted by Hu et al. (2016) found a positive relationship between corporate ownership and CSRD.

Based on the description above, the model of this research can be depicted as follows:

Based on the literature review and previous findings, the hypotheses of this research can be formulated as follow:

**H1**: State ownership, foreign ownership, institutional ownership, and corporate ownership simultaneously influence CSRD of companies listed on SRI-KEHATI Index.

**H2**: State ownership influences CSRD of companies listed on SRI-KEHATI Index.

**H3**: Foreign ownership influences CSRD of companies listed on SRI-KEHATI Index.

**H4**: Institutional ownership influences CSRD of companies listed on SRI-KEHATI Index.

**H5**: Corporate ownership influences CSRD of companies listed on SRI-KEHATI Index.

### 3. Research Method

In this research, 9 companies listed on SRI-KEHATI Index for the period 2013-2017 selected as the sample of the study out of the population by performing purposive sampling. CSRD (Corporate Social Responsibility Disclosure) is treated as dependent
variable that is measured by content analysis with CSRD index. The index used in this study is adopted from Dias et al. (2017) which was also constructed by Haniffa and Cooke (2002) and Gray et al. (1995). It consists of 40 individual indicators that comprised of three dimension; economic, social, and environmental. The indicators chosen are the core of GRI guidelines that represents well established CSR indicators and to avoid companies’s penalization for not using the GRI model (Dias et al., 2017). Each disclosed item will be scored 1, and 0 if not. Thus, the CSRD is acquired by the maximum number of checklist indicators divided by the total items disclosed (Habbash, 2016).

Moreover, ownership structure is treated as the independent variables that are dispersed into state ownership, foreign ownership, institutional ownership, and corporate ownership. First, state ownership (SO) is calculated by divided the total shares owned by government with the total firm’s outstanding shares (Habbash, 2016). Second, the percentage of foreign investors on firm’s outstanding shares is used to measure the foreign ownership (FO) (Soliman et al., 2012). Third, Institution ownership (IO) is measured by the proportion of shares held by domestic financial institution (Kusuminingtyas and Andayani, 2015). Lastly, institutional ownership (IO) is calculated as the number of share owned by corporate investors divided by the total firm’s outstanding shares (Hu et al., 2016).

There are several classical assumption tests need to be performed in order to determine the accuracy of regression model. It includes normality test, multicollinearity test, heteroscedasticity test, and auto correlation test. The influence of independent variables will be examined on dependent variable, this study perform the linear regression model to test the hypotheses that is written as follows:

$$\text{CSRD} = \alpha + \beta_1 \text{SO} + \beta_2 \text{FO} + \beta_3 \text{IO} + \beta_4 \text{CO} + \epsilon$$

Where the CSRD is the corporate social responsibility disclosure index, SO is the state ownership, FO is the foreign ownership, IO is the institutional ownership, and CO is the corporate ownership. Hypotheses testing will be done by performing the multiple regression analysis and evaluating the statistical F value, statistical t value, and coefficient determination. In this study, SPSS version 22 software is used for performing the tabulation of data.

### 4. Results and Discussion

#### Descriptive Statistics

The descriptive statistic of the research data shown in table 1 as follow:

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSRD</td>
<td>45</td>
<td>12.50</td>
<td>72.50</td>
<td>40.2333</td>
<td>14.64178</td>
</tr>
<tr>
<td>SO</td>
<td>45</td>
<td>51.00</td>
<td>70.00</td>
<td>58.1720</td>
<td>6.10710</td>
</tr>
<tr>
<td>FO</td>
<td>45</td>
<td>3.45</td>
<td>41.68</td>
<td>26.4320</td>
<td>11.75420</td>
</tr>
<tr>
<td>IO</td>
<td>45</td>
<td>3.56</td>
<td>28.73</td>
<td>10.3651</td>
<td>7.47685</td>
</tr>
<tr>
<td>CO</td>
<td>45</td>
<td>.27</td>
<td>10.58</td>
<td>2.6236</td>
<td>2.22659</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 portrays the observation of all research variables from year 2012-2016. It shows the descriptive statistic result for the variables of CSRD (Corporate Social Responsibility Disclosure), SO (State Ownership), FO (Foreign Ownership), IO (Institutional Ownership), and CO (Corporate Ownership) of the total 45 samples studied. According to table 1, the CSRD minimum value is 12.50 which obtained from PT. Bank Rakyat Indonesia (Persero) Tbk. (BBRI) in 2016. While the maximum value of 72.50 generated from the same company, PT. Bank Rakyat Indonesia (Persero) Tbk. (BBRI) in 2013. The mean value of CSRD is 40.2333 and standard deviation is 14.64178.
means that the CSRD of the companies can deviate from mean with 14.64178 from both upper and lower limit.

Statistic test result in table 1 portrays that state ownership minimum value is 51.00 acquired from PT. Adhi Karya (Persero) Tbk. (ADHI) in the whole study period, 2012-2016, it means that the portion of state ownership in this company only 51% compared to the all of the company’s outstanding shares. Meanwhile, the maximum value of state ownership is 70.00 resulted from PT. Jasa Marga (Persero) Tbk. (JSMR) in all given period, 2013-2017. The mean of state ownership is 58.1720 with the standard deviation 6.10710. Therefore, the SO of the firms can only deviate from the mean of both limit by 6.10710 and the mean value shows that the governments have great controlling power due to their investment on a firm rather than other investors.

The mean of foreign ownership is 26.4320 with the standard deviation 11.75420. This mean value shows that more than one fourth of total ownership of studied firms are owned by foreign investors on average. The minimum value is 3.45 which acquired from PT. Timah (Persero) Tbk. (TINS) in 2017, the value illustrates that the company ownership composition with the amount of 3.45% is owned by foreign investors. On contrary, the maximum value of foreign ownership is gotten from PT. Semen Indonesia (Persero) Tbk. (SMGR) in 2013 to the extent of 41.68, which means that 41.68% of company’s outstanding shares are held by foreign.

The mean of institutional ownership is 10.3651 with the standard deviation 7.47685. It shows that on average, institutional investors only acquired less than 25% of total outstanding shares of the studied companies. The minimum value is 3.56 resulted from PT. Perusahaan Gas Negara (Persero) Tbk. (PGAS) in 2015, it shows that the portion of company ownership that only 3.56% is held by other institutional companies. While in 2017, PT. Perusahaan Gas Negara (Persero) Tbk. (PGAS) resulted the maximum value of institutional ownership with the amount of 28.73 where it reflects that the amount of the company’s outstanding stocks by 28.73% is acknowledged as the institutional ownership.

The mean of corporate ownership is 2.6236 with the standard deviation 2.22659. The mean value shows that corporate investors own the smallest portion of ownership composition of a firm compare to another ownership types. The minimum value is 0.27 as the outcome from PT. Semen Indonesia (Persero) Tbk. (SMGR) in 2012, which means only 0.27% of the company ownership composition owned by other corporate. On the other hand, the maximum value of corporate ownership generated from PT. Timah (Persero) Tbk. (TINS) in 2015 by the amount of 10.58 which means that the ownership portion of this company is 10.58% held by other corporations.

Classical Assumption Test

The following tables illustrate the observations of all research variables for the period 2013-2017. It shows the results of classical assumption test of state ownership, foreign ownership, institutional ownership, corporate ownership, and corporate social responsibility disclosure of companies listed on SRI-KEHATI Index.

<table>
<thead>
<tr>
<th>Table 2. One-Sample Kolmogorov-Smirnov Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>Normal Parameters&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Most Extreme Differences</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Test Statistic</td>
</tr>
</tbody>
</table>

<sup>a</sup> Test distribution is Normal.  
<sup>b</sup> Source: Output SPSS 22 (2018)
The table shows that the value of the researched variables using the Kolmogorov-Smirnov Test is 0.200. The value is greater than the significance value which is 0.05 (5%), thus the data distribution is normal.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 SO</td>
<td>.621</td>
<td></td>
<td>1.611</td>
</tr>
<tr>
<td>1 FO</td>
<td>.678</td>
<td></td>
<td>1.476</td>
</tr>
<tr>
<td>1 IO</td>
<td>.836</td>
<td></td>
<td>1.196</td>
</tr>
<tr>
<td>1 CO</td>
<td>.542</td>
<td></td>
<td>1.845</td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td></td>
<td></td>
<td>1.959</td>
</tr>
</tbody>
</table>

Table 3. Multicollinearity and Autocorrelation Test Results

Multicollinearity test means to test whether the regression model drawn a correlation among the independent variables (Ghozali, 2013). The result showed above posits that the tolerance value of all variables is greater than 0.10 and also the VIF values is less than 10. Hence, there is no multicollinearity between each independent variable in the regression model. Moreover, in order to test whether autocorrelation happened or not in this study, Durbin-Watson is applied. According to table, it shows that the Durbin-Watson (d) value is 1.959. The d value will be compared to the Durbin-Watson table value that has the significance value 5% with the total sample (n) 45 and 4 variables (k). Based on the Durbin-Watson table, the upper limit score (du) score is 1.7200 while (4-du) value is 2.2800. The provision equation of there is no any correlation between the residual is du < DW < 4-du or equal to 1.7200 < 1.959 < 2.2800. Thus, there is no autocorrelation occurred between the residuals in this research.

![Scatterplot](http://example.com)

Figure 2. Heteroscedasticity Test Result

Source: Output SPSS 22 (2018)

The heteroscedasticity test aims to test whether the regression model occurred inequality residual variance of an observation to another or not. Scatterplot test applied to see if there is a clear pattern like dots and forming a specific of regular pattern (wavy, widened, and narrowed) that indicates the heteroscedasticity occurred and vice versa (Ghozali, 2013). The figure above portrays that the spread of dots are random and not forming a specific of regular pattern, thus the heteroscedasticity does not occurred in this regression model.
Based on the table hypotheses testing result above, it shows that the R square value is 0.456 (46%). It posits that 46% of the change in dependent variable can be explained by stated state ownership, foreign ownership, institutional ownership, and corporate ownership. Meanwhile, the rest can be influenced by other variable that are not applied in this study. The table shown that the significant value of F value is 0.000, which is lower than the significance level of 0.05 (5%). As the result, the first hypothesis (H1) that stated state ownership, foreign ownership, institutional ownership, and corporate ownership simultaneously influence CSRD is accepted.

The variable of state ownership (SO) has a value of t 1.456 with the significance level of 0.153 higher than the significance level of 0.05 (5%). It asserts that state ownership does not have any influence on the CSRD. This result is congruent with the results from Almeida et al., (2015) that conducted research regarding to the relationship between ownership structure and CSR disclosure in Brazilian companies. The result acquired from this study is not support the hypothesis expected. Therefore, it does not show that the governments have no intention to promote CSR practice in a firm they are invested in. The ways in which governments attempt to attain their policy objectives are widely varied. They can invest in a particular entity because of its political and strategic value, such as, airliners, energy or weapons, or to support particular regions (Klein et al., 2009). Thus, the second hypothesis (H2) is rejected.

The variable of foreign ownership (FO) has a value of t 3.675 with the significance level of 0.001 lower than the significance level of 0.05 (5%). It indicates that foreign ownership positively influences CSRD. This result is in line with the results of Hu et al. (2016); Muttakin and Subramaniam (2015); and Soliman et al. (2012) where they revealed that the foreign ownership is positively influenced the disclosure of CSR information. The finding shows that foreign investors considered CSR disclosing information as a beneficial thing related to their reputation. Moreover, since the current trends of CSR practice is associated by Western country business style, therefore the higher the level of foreign investment in domestic firms, the higher the influence of foreign practice on that firms (Soliman et al., 2012). Hence, the third hypothesis (H3) is accepted.

The variable of institutional ownership (IO) has a value of t 2.178 with the significance level of 0.035 lower than the significance level of 0.05 (5%). It demonstrates that institutional ownership positively influences CSRD. The result is in accordance with the study conducted by Hu et al. (2016); Soliman et al. (2012); and Oh et al. (2011) that found the positive influence between the institutional ownership and CSR disclosure. The result explained that institutional investors are likely to invest in firms that are actively involved in CSR activities. Therefore, the fourth hypothesis (H4) is accepted.

The variable of corporate ownership (CO) has a value of t -0.386 with the significance level of 0.702 higher than the significance level of 0.05 (5%). It explains that state ownership does not influence the CSRD. This result is similar to the finding of Dam and Scholtens (2012) that conducted research in the context of European firms. In fact, the result is not in line with the hypothesis expected. Furthermore, it conflicts with the idea
that branding and reputation management is a primary motive in corporate portfolio investment, otherwise there are might be other non-financial reasons appeared rather than CSR that is being considered in the investment decision of corporate investors. Thus, the fifth hypothesis (H5) is rejected.

5. Conclusion, Recommendation, and Limitation

Our main objective in this research is to address the inconsistency of previous researchers’ findings on the influence of state ownership, foreign ownership, institutional ownership, and corporate ownership on CSR for the years 2013-2017. The results revealed that; State ownership, foreign ownership, institutional ownership, and corporate ownership simultaneously influence CSR of listed companies on SRI-KEHATI Index year 2013-2017, in addition, partially foreign ownership and institutional ownership drawn the influence to the CSR, but there is no influence for state ownership and corporate ownership on CSR of listed companies on SRI-KEHATI Index year 2013-2017, these findings have several significant implications for both practical contribution and theoretical contribution. For practical contribution, the present research is aimed to provide additional information for investor and management on CSR reporting practice. Meanwhile, in theoretical contribution the study is expected to provide an additional knowledge to the academicians and literatures about the influence of state ownership, foreign ownership, institutional ownership, and corporate ownership on CSR as well as references for students who are interested to conduct further research about corporate social responsibility disclosure.

This research has limitations that can be considered for further research in order to obtain better results in the future, which are; this research only used the companies listed on SRI-KEHATI Index as the objects. Therefore, allowing the differences in the results and conclusions if the research conducted on different index or sector of company, this research only used four independent variables. Meanwhile, there are many other variables that might influence CSR, this research only used the data for five years. Meanwhile, the longer period will give more accurate results.

There are some suggestions that can be given in order to obtain the better results for further research. The suggestions are; the research can be conducted by exploring other types of ownership or more independent variables in the model, the research can be conducted in different sectors or broaden the research subjects to get more representative data from the population and the findings can be generalized to all types of companies, and the research can be done in the longer period to give more accurate and valid results.

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