International Journal of Sustainable Development and Planning
Vol. 17, No. 8, December, 2022, pp. 2655-2667
Journal homepage: http://iieta.org/journals/ijsdp

Factors Affecting Corporate Social Responsibility Web Disclosure: Evidence from the Consumer Sector in Indonesia

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https://doi.org/10.18280/ijsdp.170835

Received: 27 July 2022
Accepted: 16 September 2022

Keywords:
company size, corporate governance, corporate social responsibility web disclosure, financial report quality, leverage, profitability

ABSTRACT

An increasing number of companies disclose information about their financial performance, however, publishing Corporate Social Responsibility information on company's websites is still limited. This study examines the factors affecting Corporate Social Responsibility (CSR) web disclosure, as well as examine whether firms with high CSR web disclosure are less likely to engage in earnings management. Corporate Social Responsibility may indicate transparent and reliable financial statements. To do so, we investigate factors that affect the extensiveness of CSR web disclosure. In addition, we investigate the impact financial statement quality on CSR web disclosure. Based on a content analysis of the CSR web disclosure of consumer sector of Indonesia listed companies, this research analyzes the content of CSR disclosures with respect to the following four themes, include environmental information, employee information, community involvement information, and products information areas. Companies publish their CSR disclosure on company's websites only during the year, therefore we could not collect data on its prior year. Using a sample of 94 consumer sector companies listed on the Indonesia Stock Exchange in 2020, our OLS regression results indicate that company size has a significant effect on CSR web disclosure. In contrast, there is no association between public share ownership, board of commissioner size, audit committee size, profitability, and leverage, on CSR web disclosure. We find no evidence of companies with high-level CSR web disclosure publishing more transparent and reliable financial statement than companies with low-level CSR web disclosure.

1. INTRODUCTION

Awareness of the importance of Corporate Social Responsibility (CSR), continues to increase among investors, shareholders, creditors, suppliers, customers, and policy makers [1]. This is also seen in consumer preferences and priorities. In 2020, the IBM Institute for Business Value (IBV) conducted research on 18,980 consumers in 28 countries, including Indonesia. The results showed that 77 percent of consumers consider sustainability important to them and 71 percent of consumers are also willing to pay more for products that provide full transparency to consumers [2]. In Indonesia, based on the survey result by the Katadata Insight Center (KIC) on 3,631 respondents, 66 percent of respondents stated that they are willing to spend more money to buy sustainable products [3]. This shows that it is important for companies, especially companies in the consumer sector, to increase the transparency of corporate responsibilities that are conveyed through reporting CSR activities or known as CSR disclosure (referred to as CSRD) [4].

Öberseder et al. [5] state that a socially responsible company is a company that integrates social and environmental topics into its core business activities and acts responsibly towards employees, customers, the environment, suppliers, local communities, shareholders, and the wider community around it. Despite the importance of CSR for companies, the obligation to disclose CSR or CSRD activities is still a matter of debate [6]. Globally, CSRD is still voluntary [7]. However, more and more governments in several countries, such as Denmark, France, the Philippines, Spain, Argentina, Brazil, India, Norway, Taiwan, and the European Union, are enforcing regulations related to CSR [8].

Although it is still voluntary, the Indonesian government has begun to introduce the importance of CSR by establishing regulations that can protect domestic interests, namely the provisions on corporate social responsibility in Chapter V Article 74 of Law Number 40 of 2007 [9]. This law requires companies that run their business in the field of natural resources and companies that carry out their business activities in fields related to natural resources to carry out CSR. Even though the enactment of regulations regarding the obligation to disclose CSR [10] has increased the number of Indonesian companies reporting CSR in their annual reports [11], CSR disclosure in Indonesia is through separate media, such as websites or CSR report, is still not maximized [12]. This finding is supported by the results of research conducted by the Center for Governance, Institutions and Organizations NUS Business School in 2020 which shows that it is in fifth place with a score of 36.0% for sustainable reporting, after Singapore, Malaysia, the Philippines, and Thailand [13].

Apart from the low level of corporate social disclosure in Indonesia, Khasharmeh and Desoky [14] reveals the quality of information in CSR can continue to increase along with the development of information technology. The development of information technology makes it easier to obtain and access information via the internet, so that various companies have started using their websites to disclose various types of information to stakeholders [15]. Until now CSR reporting is still not an obligation for companies which causes companies to publish CSR disclosures through various media [16], including through the company's website or known as CSR web disclosure [17]. According to Briones [18] define CSR web disclosure as "… utilizing corporate websites to disseminate their CSR information to their stakeholders". CSR web disclosure can also be interpreted as disclosing information about CSR activities on the website. Utilization of websites for CSR disclosure allows companies to provide information that is more up-to-date, detailed, and faster than paper-based reporting [19]. With the advantages of CSR web disclosure, many companies have started to use their websites to publish CSR activities to stakeholders [18], which this also makes CSR web disclosure an interesting topic to be studied.

Although studies on CSR web disclosures have attracted considerable attention, many studies link CSRD and CSR web disclosures with corporate governance, such as public share ownership [20, 21], board of commissioner size [7], and audit committee size [22, 23]. They argue that CSR disclosure is influenced by the motives and choices of parties involved in formulating and making decisions related to the organization [24]. Several other studies have linked company characteristics, such as profitability [25, 26], leverage [1, 23, 27] and company size [1, 23] with CSRD. Giannarakis [27] states that companies with a high level of profitability have the freedom and flexibility in disclosing their CSR activities, while companies with a high level of leverage seem to increase the level of CSR disclosure to reduce agency costs. In addition, Oktavianawati and Wahyuningrum [23] state that large companies will disclose more CSR because of the large demands from stakeholders for the benefits of the company's existence and to gain legitimacy from stakeholders.

However, recently there has been an argument that companies that expend efforts and resources in carrying out CSR to meet social expectations tend to limit earnings management, resulting in more transparent financial information for investors [28]. Earnings management is a change or manipulation of economic performance that is carried out intentionally to achieve a certain goal [29]. But Prior et al. [30] states that managers who manipulate earnings for personal gain, take advantage of CSR in reducing the possibility for further scrutiny by stakeholders. In other words, it cannot be ensured that companies that disclose CSR activities do not practice earnings management. This may happen because in addition to meeting social expectations, CSR disclosure can also be used as a shield for managers in manipulating earnings so that they are not examined further by related parties [31].

Perols and Lougee [32] state that earnings management practices carried out by managers continuously can lead to fraud. This is because managers will face the consequences of reversing accruals from previous earnings management, so managers are more likely to commit fraud than earnings management to manipulate financial statements [33]. Erickson et al. [34] explains that basically fraud has the same purpose as earnings management, but fraud is carried out outside of generally accepted accounting principles (GAAP), while earnings management is still within GAAP. Fraud Indonesia survey showed that manufacturing sector companies, which include consumer sector companies, contributed 4.2% of all fraud cases in Indonesia. Meanwhile, 6.7 percent of the total fraud in Indonesia are financial statement fraud with a loss value of more than 10 billion rupiah [34]. This survey result is reflected in several cases of fraud that occurred in Indonesia, such as the case of PT Garuda Indonesia which in its financial statements as of December 31, 2018, did not recognize rental income of USD 239.94 million in the cooperation agreement between PT Mahata Aero Teknologi and PT Citilink Indonesia, as a subsidiary of Garuda Indonesia [35]. There is also a case of earnings management conducted by one of the consumer sectors companies, PT Tiga Pilar Sejahtera Food Tbk. Based on Ernst and Young Indonesia (EY) search results on the company's new management in 2019, it was found that the practice of inflating financial statements in 2017 amounted to 4 trillion rupiah from the company [36]. Cases like this support the findings of Supriyono and Suhardjanto [37] that the level of quality of financial statements in Indonesia is still relatively low.

There are several previous studies that examine the effect of the quality of CSR information on the quality of financial reports, such as Al-Shaer [38] who examines the effect of the quality of sustainability reporting on the quality of financial reports in FTSE 350 companies in the UK. Giannarakis [27] also examines the same topic, which is the effect of CSR disclosure on earnings management. But until now there has been no research linking CSR web disclosure with the quality of financial reports. Therefore, this study wanted to analyse the factors that influence CSR web disclosure and the influence of CSR web disclosure on the financial statement quality. This study contributes to further studies related to the implementation of CSR web disclosure and its effect on the quality of financial reports in companies listed on the Indonesia Stock Exchange.

The sample of this study focuses on consumer sector companies, namely consumer non-cyclicals and consumer cyclicals listed on the Indonesia Stock Exchange in 2020. We make sure that all sample companies have published audited financial and annual reports, as well as having CSR-related information on their website. We conducted content analysis in measuring CSR web disclosure of our sample then we conducted regression analysis in finding factors that are affecting CSR web disclosure and finding relationship between CSR web disclosure and earnings management. Using 94 sample of consumer sector companies, our regression result show that only firm size that has effect on CSR web disclosure, while other variables such as public share ownership, board of commissioner size, audit committee size, profitability, and leverage have no effect CSR web disclosure. The results provide evidence that the larger the size of company, the higher CSR web disclosure. But we did not find evidence that proves CSR web disclosure effects financial statement quality of a company.

The remainder of this article is organized as follows: The next section is literature review and hypothesis development. The third section describes the study's methodology, including sample selection, variables, and model used in empirical analysis. The fourth section reports the results followed by a discussion section. Finally, the fifth section provides the study's summary and conclusion.

2. LITERATURE REVIEW AND HYPOTHESIS

2.1 Legitimacy theory and CSR web disclosure

Prior studies [6, 24] use legitimacy theory in explaining CSR disclosure. This theory is based on what is referred to as a 'social contract' which is a company's understanding of people's expectations [39]. Legitimacy theory explains that legitimacy is when an entities value system is congruent with the value system of the larger social system of which the entity is a part but when a disparity exists between the two value systems, there is a threat to the entities' legitimacy [40]. It is explained that legitimacy can occur through company activities, such as disclosure of a certain information, in order to offset negative company's news and draw attention to the company's strengths [39]. The company will get support and recognition from stakeholders as long as the activity is beneficial, or at least not harmful to the community [38]. Krisna and Suhardianto [41] stated that in obtaining legitimacy, companies must inform stakeholders about the realization of social responsibility carried out by companies through CSR disclosure.

Corporate Social Responsibility Disclosure (CSRD) is the voluntary disclosure of information regarding social responsibility activities carried out by companies [42]. CSR disclosure in Indonesia and other countries is still voluntary [7, 12] and companies can develop their own measurement and reporting formats [39]. Companies can also follow one of the various publicly available guidelines, regarding sustainability reporting, such as ISO 14000 & ISO 26000 and the Global Reporting Initiative (GRI) G4 which are the most widely followed guidelines by companies globally [39]. Nowadays, the rapid technological developments increase the amount of information available and make it easier for stakeholders to access information to track company activities [39]. This has caused companies to start using the internet, especially the company website, as a medium for reporting on company activities [15] or known as CSR web disclosure (CSRWB) [17]. Not only making it easier for stakeholders to track company activities, CSR disclosure through the website also allowing companies to interact with all stakeholders as well as providing more space and flexibility to present information, so that the use of the company's website as a CSR communication medium becomes very relevant [16].

2.2 Agency theory and earnings management

This study also follows prior studies [24, 38] in using agency theory to explain hypotheses and justifying the results. According to Jensen and Meckling [33], agency theory is used to explain the relationship when one or more people (principals) employ another person (agent) to perform an activity on their behalf by delegating decision-making authority to the agent, known as agency relationship. In an agency relationship, a conflict of interest can arise between the principal and the agent due to the different goals of each party, thus triggering agency costs [35].

In this context, earnings management is considered an agency cost because managers prioritize their own interests by presenting financial statements that do not accurately describe the company's economic condition, so that shareholders can make investment decisions that are not optimal [30]. Healy and Wahlen [43] stated that earnings management occurs when managers use judgment in financial reporting to alter financial reports to either mislead stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting numbers. When the owner of the company does not have control or detailed information over the company, it is very likely that managers act opportunistically (opportunistic behaviour) for their own interests [35] making it easier for them to take advantage of opportunities from certain loopholes to carry out earnings management and cover up these actions so that they are not known by company owners.

2.3 Corporate governance and CSR web disclosure

Corporate governance can be defined as a system by which companies are directed and controlled [39]. Rankin et al. [39] stated that corporate governance ensures that, despite the separation of ownership and management, managers act in the interests of the company and stakeholders, so good corporate governance will ensure the market operates efficiently. Elements of corporate governance in this research include managerial share ownership, the board of commissioners, and the audit committee.

In the General Provisions of Law Number 40 of 2007 concerning Limited Liability Companies Article 1 point 1, a public company is a company whose shares are owned by a minimum of three hundred shareholders and has a paid-up capital of at least three billion rupiah [44].

Agency theory states that the existence of ownership structure can reduce the impact of agency conflicts with managers [35]. This theory also reveals that the greater the percentage of shares released by the company to the public, the greater the public's control over company policies, so that the public will need more disclosure of information about corporate responsibilities. The need for this information ultimately creates pressure for companies to carry out social activities and disclose it to the public. Thus, we hypothesize the link between public share ownership and CSR web disclosure as follows:

H1: Public share ownership has a significant effect on CSR web disclosure.

In Financial Services Authority Regulation Number 57/POJK.04/2017 the board of commissioners is defined as "an organ of a Securities Company in charge of conducting general and/or specific supervision in accordance with the articles of association and providing advice to the Board of Directors" [45]. Several previous studies have examined the influence between the size of the board of commissioners and CSRD, one of which is the study conducted by Oktavianawati and Wahyuningrum [23]. Based on the results of their research on mining companies in Indonesia for the period 2013 – 2016. They found that the size of the board of commissioners has a significant positive effect on CSRD.

Article 21 in the Financial Services Authority Regulation Number 57/POJK.04/2017 states that one of the duties of the board of commissioners is to supervise policies on the management and determination of corporate governance, including corporate social performance [45]. This is in accordance with agency theory, where the board of commissioners is considered the highest internal control, which is responsible for overcoming top management performance so that the quality of social responsibility will improve both and reduce agency conflict [22]. Thus, we hypothesize the link between board of commissioner size and CSR web disclosure as follows:

H2: Board of commissioner size has a significant effect on CSR web disclosure.

In the Regulation of the Financial Services Authority Number 55/POJK.04/2015 the audit committee is defined as "a committee formed by and responsible to the Board of Commissioners in assisting in carrying out the duties and functions of the Board of Commissioners" with the number of members of the audit committee consisting of at least 3 people from Independent Commissioners and Parties from outside the Issuer or Public Company [46]. There are several researchers who have examined the effect of audit committee size on CSR disclosure, some of which are studies conducted by Krisna and Suhardianto [41] on public companies in the mining sector in Indonesia for the period 2010 – 2012. They found that the size of the audit committee has a significant positive effect on CSR disclosure. Meanwhile, different results were reported by Burhany et al. [12] that there is no significant effect between the size of the audit committee and CSR web disclosure. These results are obtained from the results of data analysis of 61 Islamic banks in Indonesia in 2018.

Krisna and Suhardianto [41] who use agency theory in explaining the relationship between audit committees and CSR disclosures explain that the audit committee as an extension of the board of commissioners plays a very important role in supervising and controlling a company which in turn will increase the effectiveness of supervision over the practices and disclosure of corporate social responsibility to external parties and stakeholders. Thus, we hypothesize the link between audit committee size and CSR web disclosure as follows:

H3: Audit committee size has a significant effect on CSR web disclosure.

2.4 Company characteristics and CSR web disclosure

Elements of company characteristics used in this study are financial ratios, which consist of profitability and leverage, as well as company size, which is measured using total assets. Profitability ratios are financial ratios used to measure the company's ability to generate profits [23]. This ratio allows analysts to evaluate the company's profits associated with the level of sales, asset level, or investment of a particular owner. Similar to previous studies [1, 23], this study uses return on assets (ROA) as a measurement of company profitability. Return on assets, often referred to as return on investment, measures the overall effectiveness of management in generating profits with existing assets.

Several previous studies have examined the effect of profitability on CSRD, such as Hermawan and Gunardi [20] and Oktavianawati and Wahyuningrum [23]. They found a significant positive effect on profitability, measured by ROA, on CSR disclosure. In contrast to the measurements in previous studies, Hermawan and Gunardi [20] measured profitability using return on equity and found that profitability had a significant positive effect on CSRD. Different result was found by Sommer et al. [1] who examined the effect of profitability on CSR web disclosure of food sector companies in North Rhine - Westphalia, Germany in 2013. The results of their study did not find any significant effect between profitability, measured using ROA and ROE, and CSR web disclosure. In accordance with agency theory, higher profits will encourage companies to disclose more social responsibility information [12, 23]. Thus, we hypothesize the link between profitability and CSR web disclosure as follows:

H4: Profitability has a significant effect on CSR web disclosure.

Khan, et al. [24] define *leverage* as "the magnification of risk and return through the use of fixed-cost financing, such as debt and preferred stock. The more fixed-cost debt a firm uses, the greater will be its expected risk and return". Following several prior studies [23, 24], this study uses debt to asset ratio as a measurement of company leverage. Debt to asset ratio measures the percentage of total assets provided by creditors and indicates how much the company's ability to withstand losses without harming the interests of creditors.

There are several studies that have examined the effect of leverage on CSR disclosure, including Sommer et al. [1] that there is no effect of leverage, measured by DAR, on CSR web disclosure. In addition, by using DER as a proxy for leverage, Krisna and Suhardianto [41] did not find any effect of leverage on CSRD. Oktavianawati and Wahyuningrum [23] state that according to agency theory, companies with high leverage levels tend to reduce CSR disclosures to avoid attention from debt holders, while Krisna and Suhardianto [41] state that companies with a high level of leverage reduce CSR disclosures to reduce profit-reducing activities. Thus, we hypothesize the link between leverage and CSR web disclosure as follows:

H5: Leverage has a significant effect on CSR web disclosure.

In this study, the company size is used to measure the size of each company because large companies are usually the centre of public attention, so companies will disclose CSR as a form of responsibility to the community [23]. Similar to prior studies [23, 41], this study uses total assets as a measurement of firm size. There are several researchers who have examined the effect of company size on CSR web disclosure, including the research conducted by Kaur and Kaur [17], and Oktavianawati and Wahyuningrum [23] who found that company size, as measured by the company's total assets, had a significant positive effect on CSR disclosure. However, Hermawan and Gunardi [20] did not find any significant effect of firm size, as measured by total assets, on CSR disclosure.

Burhany et al. [12] stated that larger companies tend to have larger expenditures for CSR disclosure activities. This is because larger companies have greater resources or assets to be used in CSR activities [12]. This also related to legitimacy theory, where the greater the company's resources, the greater the company's efforts to disclose CSR to gain legitimacy from all stakeholders [41]. Thus, we hypothesize the link between company size and CSR web disclosure as follows:

H6: Company size has a significant effect on CSR web disclosure.

2.5 CSR web disclosure and financial statement quality

Quality financial reports are financial reports that can convey financial information in a transparent and reliable manner [38]. To ensure a quality financial report or not can be done by looking at the possible earnings management practices carried out by management [38]. Rankin et al. [39] state that the two main reasons managers perform earnings management are to benefit the company (e.g., to meet shareholder expectations, to maximize share price and firm value or to avoid company failure) and to meet shareholder expectations. short-term goals that have an impact on maximizing managerial remuneration and bonuses.

There are several researchers who have examined the effect of CSR disclosure on the financial statement quality measured by earnings management. One of them is Al-Shaer [38] who examined FTSE 350 companies in the UK for the period 2007 - 2018. He found that the quality of sustainability reporting, which was measured using a score of 0-5 based on certain criteria, had a significant negative effect on earnings management measured by discretionary accruals (DAC) and real earnings management (REM), so it can also be said that the quality of sustainability reporting can improve the quality of financial statements. However, Moratis and van Egmond [47] on public companies in the United States for the period 2003 - 2009 found that CSR performance, which was proxied by categorizing companies into CSR positive, CSR neutral or CSR negative based on predetermined criteria, had no significant effect on earnings management measured by DAC.

The agency theory used in this study explains that management uses CSR as a tool to cover the opportunistic behaviour of managers who carry out earnings management. But there is another opinion that companies that focus on CSR disclosure tend to limit earnings management because it conflicts with ethics and increases the risk of reputational damage so as to produce more transparent financial information for investors [38]. Thus, we hypothesize the link between CSR web disclosure and financial statement quality as follows:

H7: CSR web disclosure has a significant effect on financial statement quality.

There are similar studies that have been carried out previously, such as Hermawan and Gunardi [20] who examined several elements of corporate governance and the characteristics of companies towards CSR disclosure, Burhany et al. [12] who examines the determinants of social responsibility disclosure on Islamic bank websites in Indonesia and Al-Shaer [38] who examines the effect of sustainability reporting quality on the quality of financial reports in FTSE 350 companies in the UK. However, this study differs in that it examines CSR information that being disclose on company’s website since there are only few studies that examine CSR web disclosure, especially those relating to the quality of financial reports. In addition, the sample used in this study is focusing on consumer sector companies, namely consumer non-cyclicals and consumer cyclicals, which are listed on the Indonesia Stock Exchange in 2020.

3. RESEARCH DESIGN

Besides its advantages, elements of corporate governance such as public share ownership, the board of commissioners [21], and the audit committee [41], as well as firm characteristics such as profitability, leverage [23], and firm size [12], also affecting firms in disclosing CSR information on their websites. The existence of corporate governance can increase CSR web disclosure because it will narrow the possibility of managers to hide or manipulate information and companies that have higher profits will be easier and more flexible to disclose CSR information [12, 17] while companies with high level of leverage will find it more difficult since they tend to reduce profit-deducting activities, like CSR [23]. However, CSR disclosure can be seen as an opportunistic act of managers and used as a shield to manage earnings [31] which will reduce the quality of financial reports. But there is an argument that CSR-focused companies tend to limit earnings management due to ethical issues and the risk of reputational damage, producing more transparent financial information for investors [38].

Consistent with previous studies examining factors affecting CSR web disclosure [12, 22, 23, 41] and studies examining the relationship between CSR disclosure and earnings management [28] we test Hypotheses 1, 2, 3, 4, 5, 6, and 7 using multiple regression analysis.

3.1 Model development

We used the model below to estimate impact of public share ownership, board commissioner size, audit committee size, profitability, leverage, and corporate size on CSR web disclosure. The empirical model 1 used to analyse Hypotheses 1, 2, 3, 4, 5, and 6 is:

$$\begin{aligned} \mathrm{CSRWDit} = \beta_0 + \beta_1 \mathrm{PUBit} + \beta_2 \mathrm{COMit} + \beta_3 \mathrm{AUDit} \\ + \beta_4 \mathrm{ROAit} + \beta_5 \mathrm{LEVit} + \beta_6 \mathrm{SIZEit} \\ + \beta_7 \mathrm{AGEit} + \varepsilon \end{aligned} \tag{1}$$

where, CSRWD is CSR web disclosure index measured by the amount of CSR-related information that being disclosed on the company's website based on Briones [18] CSR web disclosure index. PUB is public share ownership which is the number of shares owned by the public divided by the total number of shares outstanding, COM is board commissioner size measured by the number of members on the board of commissioners, and AUD is audit committee size measured by the number of members on the audit committee. ROA is return on asset as a measure of profitability, while LEV is leverage measured by debt-to-asset ratio. Return on asset is calculated by dividing the company’s net income by its total assets and debt-to-asset ratio is calculated by dividing the company’s total liabilities by its total assets. SIZE is company size measured by the natural log of total asset of the company. Company age, measured by number of years since the company's inception, is included as a control variable since it may impact on CSR web disclosure, meanwhile ε is an error term.

We also estimate the following model to examine the impact of CSR web disclosure on financial statement quality. The empirical model 2 used to analyze Hypothesis 7 is:

$$\begin{aligned} \mathrm{AEMit} = \beta_0 + \beta_1 \mathrm{CSRWDit} + \beta_2 \mathrm{ROAit} + \beta_3 \mathrm{LEVit} \\ + \beta_4 \mathrm{SIZEit} + \beta_5 \mathrm{MTBit} + \varepsilon \end{aligned} \tag{2}$$

where, AEM is accrual earnings management as a measure of financial statement quality. Accrual earnings management is measured using discretionary accrual by calculating the difference between total accruals and nondiscretionary accruals [38]. CSRWD, ROA, LEV, SIZE, and MTB are included as control variables since they may impact on financial statement quality. MTB is market-to-book ratio which is measured by dividing the company’s market price per share of common stock by its book value per share of common stock. The book value per share of common stock is calculated by dividing the company’s common stock equity by its number of shares of common stock outstanding. the market price per share of common stock and the number of shares of common stock outstanding.

3.2 Dependent variable: Model 1

In this study, the dependent variable in the first empirical model is CSR web disclosure which measured by calculating the number of CSR-related items being disclosed on the company's website based on a predetermined index. Previous studies have categorized CSR into different themes, for instance, Sommer et al. [1] classified CSR web disclosure as organizational governance, human rights, labor rights, environment, fair operating practices, consumer issues, and community involvement and development; Matuszak and Różańska [16] as environment, human resources, product and costumers, and community involvement. Thus, following Briones [18], in this study, CSR web disclosure was classified into four themes of environmental information, employee information, community involvement information, and products information.

In measuring the level or extent of CSR disclosure on the company's website, we use Briones' [18] disclosure index since the CSR disclosure items were considered universal and can be applied to companies anywhere in any sector (refer to Appendix). The index includes a total of 47 CSR information items, including 10 environmental items, 15 employee items, 15 community involvement items, and 7 product items.

The CSR web disclosure scoring is done through content analysis based on the index. Content analysis method is the most common measurement method and widely used in CSR web disclosure research [18]. The application of content analysis is done by converting qualitative information on the *company's website* into quantitative scores or values. Content analysis can be done quantitatively by referring to text characteristics, such as the number of word occurrences or the number of words related to a particular theme. Data collection using content analysis starts with accessing the company's website, then opening a webpage that has CSR, ESG or *Sustainability* subtitles to search for CSR disclosure information. If there is any CSR disclosure information published by the company outside the CSR, ESG or *Sustainability* page, then the information will not be used in this study. To maintain objectivity while analyzing CSR web disclosure content, we limited the number of companies studied each day, which is as many as 20 companies per day. This is done to avoid the subjectivity resulting from the fatigue when analyzing each company's website.

This study adopts a dichotomous scale of all CSR web disclosure items in the index, scoring one (1) on each CSR item disclosed and zero (0) if otherwise, implying that all items are equally important [14, 18]. During the coding process using this scale, CSR information that appears several times will only be calculated once [18]. The CSR web disclosure score is calculated using the unweighted disclosure index [18] as follows:

$$\mathrm{CSRWD} = \sum_{j=1} \frac{\mathrm{dj}}{\mathrm{n}} \tag{3}$$

where, *dj* is the CSR-related information disclosed, 1 if item *j* is disclosed and 0 if otherwise. Since the total number of CSR web disclosure in the index comprised of 47 items, the total of CSR-related information disclosed is divided by 47.

3.3 Dependent variable: Model 2

The dependent variable of the second empirical model in this study is financial statement quality measured by accrual earnings management. As mentioned before, good quality financial reports are financial reports that can convey financial information transparency and reliably without any earnings management practices [38]. It can be said that the less possibility of earnings management practices, the higher the quality of a company's financial statements [38].

Previous studies have used discretionary accruals as a measure of financial statement quality [29, 31], but other studies used several other calculations, such as real earnings management and aggregate earnings management to measure financial statement quality [38]. In this study, we only use accrual earnings management measured by discretionary accruals using the Modified Jones Model [48] because CSR-oriented companies tend to carry out accrual earnings management compared to real earnings management. Real earnings management is a strategy that changes the real operations underlying the company, so that it will increase the risk to the credibility and reputation of the company [28].

In this study, the financial statement quality is measured by accrual earnings management using the Modified Jones Model to calculate discretionary accruals [38]. The following are the calculation steps of the modified Jones model [48]:

$$\mathrm{TA_{it}} = \mathrm{NI_{it}} - \mathrm{CFO_{it}} \tag{4}$$

where, TA_{it} represents total accruals of company i in period t, NI_{it} represents net income of company i in period t, and $\mathrm{CFO_{it}}$ represents cash flow from operating activities of company i in period t.

$$\frac{\mathrm{TA_{it}}}{\mathrm{A_{it-1}}} = \alpha 1 \frac{1}{\mathrm{A_{it-1}}} + \alpha 2 \frac{\Delta \mathrm{REV_{it}}}{\mathrm{A_{it-1}}} + \alpha 3 \frac{\mathrm{PPE_{it}}}{\mathrm{A_{it-1}}} + \varepsilon \tag{5}$$

where, TA_{it} obtained using Eq. (4), A_{it-1} represents total asset of company i in period t-1, ΔREV_{it} represents revenue of company i in period t minus revenue in period t-1, PPE_{it} represents property, plant and equipment of company i in period t, and ε represents error. α1, α2, and α3 are estimates generated from OLS regression for all sample firms which generated using Eq. (5).

In the modified Jones model, the coefficient estimates from Eq. (5) are used to estimate the firm-specific nondiscretionary accruals for our sample companies as follows:

$$\mathrm{NA_{it}} = \alpha 1 \frac{1}{\mathrm{A_{it-1}}} + \alpha 2 \frac{\Delta \mathrm{REV_{it}} - \Delta \mathrm{REC_{it}}}{\mathrm{A_{it-1}}} + \alpha 3 \frac{\mathrm{PPE_{it}}}{\mathrm{A_{it-1}}} \tag{6}$$

where, NA_{it} represents non-discretionary accruals of company i in period t and ΔREC_{it} represents receivable company i in period t minus in period t-1. Discretionary accruals are calculated as the difference between total accruals obtained using Eq. (5) and the non-discretionary accruals obtained using Eq. (6).

$$\mathrm{AEM_{it}} = [(\mathrm{TA_{it}}/\mathrm{A_{it-1}}) - \mathrm{NA_{it}}] \tag{7}$$

where, AEM_{it} represents accrual earnings management on company i in period t measured by discretionary accruals.

3.4 Independent variable: Model 1

The independent variables of the first empirical model in this study are public share ownership, the number of members on the board of commissioner, the number of members on audit committee, profitability, leverage, company size. Following prior studies, this study uses public share ownership, the number of members on board of commissioner, and the number of members on audit committee as elements of corporate governance that are proven to influence CSR disclosure [22, 23]. Information about these variables was collected from company's annual report.

Not only corporate governance elements, but this study also examines the effect of company characteristics elements, namely profitability, leverage, and company size on CSR web disclosure. Prior studies have employed different indicators as proxies of profitability, such as return on asset [20, 25, 41], return on equity [1, 20], and net retention ratio [17]. Our study uses return on asset as a proxy for profitability since it measures the overall management effectiveness in generating profits with existing assets.

As for leverage, two proxies that were often used in prior study are debt-to-asset ratio [1, 23] and debt-to-equity ratio [20, 41]. This study uses debt-to-asset ratio to calculate the percentage of total assets given to creditors and indicates how much the company's ability to withstand losses without harming the interests of creditors. Finally, following prior studies [1, 12, 17, 21, 23, 41] this study measures company size by their total asset. Information about the company's return on asset, debt-to-asset ratio, and total asset were collected from company's financial statements obtained from IDX website.

3.5 Independent variable: Model 2

The independent variable of the second empirical model in this study is CSR web disclosure. Even though previous research has employed different indicators as proxies of CSR web disclosure index, such as GRI 4.0 [12], ISO 2010 [1], prescribed guidelines of section 135 and companies act 2013 [17], pre-determined index used in other previous studies [15, 18], or based on their own research on company websites, our study use Briones' [18] disclosure index because of the items that are universal, applicable, and commonly found in any company websites.

As mentioned before, we conduct content analysis on every website of the sample companies to collect CSR information based on the pre-determined index. The obtained data then were further analyzed using SPSS 25 statistical software.

3.6 Control variable: Model 1

We include another company characteristic that could affect CSR disclosure. We include company age as a control variable in the first empirical model because it has been proven to affect CSR disclosure. The more mature company the more attention to its reputation which eventually will lead to companies disclosing more CSR information.

3.7 Control variable: Model 2

Following prior literature, we include various company characteristics that could affect financial statement quality. We control profitability (ROA), leverage (LEV), company size (SIZE) [29, 38, 47] and market-to-book ratio (MTB) [29, 38].

Profitability is measured as return on assets. Prior study found that profitable companies have sufficient resources to improve the quality of financial reporting and tend not to be involved in earnings management, so that researchers control the profitability variable [38]. Leverage is measured as debt-to-asset ratio. We also control leverage since companies involved in debt contract decisions have more motivation to engage in earnings management variable [38].

We expect that the larger the size of the company, the tighter the level of supervision from various parties, thus limiting earnings management practices [38]. The market-to-book ratio also proven to have a significant negative effect on earnings management [38]. This is because the market-to-book ratio is an illustration of the market perception of the company's growth in the future, so that companies with a small market-to-book ratio will tend to carry out earnings management to increase profits in order to attract shareholders [47].

3.8 Sample

The sample used in this study consist of consumer sector companies, namely consumer non-cyclicals and consumer cyclicals, listed on the Indonesia Stock Exchange (IDX) in 2020. Consumer non-cyclicals and consumer cyclicals sectors were chosen because these two sectors produce products that are directly related to consumers so that companies in this sector are expected to disclose more CSR information as a form of responsibility to consumers and other stakeholders. In addition, these two sectors are part of the manufacturing sector which is the second sector with the most fraud cases based on the results of the ACFE study in 2018 and 2020. The study's time period is chosen since company's websites are constantly changing and to provide a sample that is more recent than the samples used in prior research. Therefore, the latest research is needed, especially on the financial statement quality of companies in both sectors.

This study is based on an initial sample of 209 consumer non-cyclicals and consumer cyclicals companies. We remove 10 companies that do not publish audited financial statements and annual report in 2020. Then we removed 13 companies whose website cannot be accessed. We also removed 54 companies that do not publish any information about CSR on their website. Finally, we removed 38 outlier data. Therefore, the final sample used in this study consists of 94 consumer non-cyclicals and consumer cyclicals companies.

Data to calculate the CSR web disclosure score according to pre-determined index are collected from company's official websites. We also use company's official website to download their annual reports and collect information about their corporate governance, namely the company's public share ownership, the number of members on the board of commissioners and the number of members on the audit committee. Financial statements that were collected from IDX website were used to calculate company's return on asset, leverage, size, market-to-book ratio, and accrual earnings management.

4. RESULTS

4.1 Descriptive statistics

Table 1 presents descriptive statistics for variables in the study models. The mean value of CSRWD is 0.2005 which means that CSR web disclosure in Indonesia is still relatively low (less than 50%). Based on the results of content analysis, the most disclosed CSR information by consumer cyclicals and consumer non-cyclicals sector companies in Indonesia is information related to community involvement, with a disclosure percentage of 45.71% (refer to Appendix). This can be explained that companies in this sector produces products that are directly related to consumers, so companies also tend to be more concerned with disclosures that have a direct impact on consumers or community. Meanwhile, the least CSR information disclosed by companies is product information, with a disclosure percentage of 7.67% (refer to Appendix). This can be due to companies focusing more on disclosing the quality and types of products or services for marketing purposes rather than as a form of social responsibility.

From the second regression model, we can find the mean value of AEM is 0.00274. The negative value of AEM shows that on average, companies tend to carry out earnings management with an income decreasing pattern. The mean value of PUB is 0.2425 which is still smaller than 0.50. This indicates that the proportion of public share ownership is still relatively low. COM has an average value of 3.8085 with a minimum value of 2.00. From these results it can be interpreted that companies comply with the government regulation related to Limited Liability Companies which stipulates board of commissioner member must consist of one or more persons. The average value of AUD is 3.0319 with a minimum value of 3.00. This indicates that companies have followed OJK regulations Number 55/POJK.04/2015 which requires the audit committee to consist of at least 3 people. For company characteristic variables, the mean value of ROA is 0.0087, the mean value of LEV is 0.4504, the mean value of SIZE is Rp10,194,619,636,106.30, the mean value of AGE is 32.5532 years old, and the mean value of MTB is 1.8733. MTB value greater than 1 indicates that the company's share is overvalued.

The data being used is normally distributed, and free of autocorrelation, heteroscedasticity, dan multicollinearity issues.

Table 1. Descriptive statistics for all variables

	N	Minimum	Maximum	Mean	Std. Deviation
CSRWD	94	.02	.60	.2005	.12603
AEM	94	-.01	.01	-.0004	.00274
PUB	94	.00	.59	.2425	.15015
COM	94	2.00	8.00	3.8085	1.53998
AUD	94	3.00	4.00	3.0319	.17672
ROA	94	-.19	.18	.0087	.06855
LEV	94	.03	.98	.4504	.22489
SIZE (in million rupiahs)	94	86.61	163,136.52	10,194.62	22,012.88
AGE	94	9.00	70.00	32.5532	13.43612
MTB	94	.16	6.71	1.8733	1.59573
Valid N (listwise)	94				

4.2 Regression result for hypotheses 1-6

Table 2 presents t test result on the first empirical model with a confidence level of 95%. Based on the result, PUB has a sig. value of 0.282 so that PUB has no significant effect on CSRWD. The results of this study contradict the results of research by Gunardi et al. [24] and Hermawan and Gunardi [32] which reveal that public share ownership has a positive effect on CSR disclosure. The results of this study are also does not support agency theory which states that the greater the percentage of shares owned by the public, the greater the control the public has over company policies, so that the public will demand more disclosure of information regarding corporate responsibilities [24].

Table 2. Model 1 two-tailed t test results

Model		Coefficients[a] Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	-.790	.270		-2.923	.004
	PUB	.089	.082	.106	1.082	.282
	COM	.003	.009	.036	.326	.745
	AUD	-.011	.041	-.025	-.276	.783
	ROA	.298	.194	.162	1.534	.129
	LEV	.057	.054	.102	1.055	.294
	SIZE	.032	.010	.396	3.154	.002
	AGE	.001	.001	.142	1.559	.123

a. Dependent Variable: CSRWD

Similar result also seen in COM and AUD which has a sig. value of 0.745 and 0.783 respectively. The results of this study do not support the findings by Hermawan and Gunardi [20], Oktavianawati and Wahyuningrum [23], Giannarakis [27] which reveal that the size of the board of commissioners and the size of the audit committee has a significant positive effect on CSR disclosure. These findings contradict agency theory which explains that the board of commissioners and audit committee, which are part of the internal control mechanism play an important role in supervising and controlling the company's activities, so that it will increase the effectiveness of supervision over the practice and disclosure of corporate social responsibility to external parties and stakeholders [7, 41, 44].

ROA which has a sig. value of 0.298 also has no significant effect on CSRWD. This is not in accordance with the legitimacy theory which states that companies that generate a lot of profit will make more CSR disclosures as a form of responsibility to the surrounding environment [23]. The results of this study contradict the results of research by Oktavianawati and Wahyuningrum [23], Hermawan and Gunardi [20], and dan Kaur and Kaur [17] which reveal that profitability has a significant positive effect on CSR disclosure.

The similar result is also found for LEV. With a sig. value of 0.057, LEV has no significant effect on CSRWD. The results of this study contradict the findings by Hermawan and Gunardi [20] and Oktavianawati and Wahyuningrum [23] which reveal that the leverage has a significantly negative effect on CSR disclosure. This result is also does not support agency theory, where companies with high levels of leverage tend to reduce CSR disclosures to avoid attention from creditors [23] and reduce profit-deducting activities.

However, based on the test results, SIZE has a significant effect on CSRWD with a sig. value of 0.02. This result is in accordance with legitimacy theory, where large companies will find it easier to gain legitimacy from the public regarding their business [18]. However, the results of this study contradict the findings of Hermawan and Gunardi [20] study which revealed that the firm size had no significant effect on CSR disclosure. Meanwhile, AGE as a control variable has no significant effect on CSRWD with a sig. value of 0.123.

4.3 Regression result for hypotheses 7

Table 3 presents t test result on the second empirical model with a confidence level of 95%. Based on the result, CSRWD has a sig. value of 0.305. Therefore, CSRWD has no significant effect on financial statement quality. The results obtained showed that it is not certain that companies with a high level of CSRWD will have quality financial reports without any indication of earnings management practices or vice versa. This result does not support agency theory which explains that management disclose CSR information to cover the opportunistic behaviour of managers who carry out earnings management which will reduce the quality of financial reports. This result also contradict opinion that states that companies with high CSR disclosures tend to limit earnings management because it is not in accordance with their ethics and increases the risk of reputational damage [38].

The results of this study contradict the findings of Gras-Gil et al. [29], Ardiani and Sudana [31], and Al-Shaer [38] who found that CSR has a negative effect on earnings management and positively effect on the quality of financial reports. The only other control variable that is significant is LEV with sig. value of 0.003. This result is consistent with previous study that companies with high leverage have more motivation to carry out earnings management [38].

Table 3. Model 2 two-tailed t test result

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	-.012	.006		-2.013	.047
	CSRWD	-.003	.003	-.120	-1.031	.305
	ROA	.007	.005	.176	1.517	.133
	LEV	.004	.001	.325	3.075	.003
	SIZE	.000	.000	.209	1.720	.089
	MTB	.000	.000	-.141	-1.415	.161

a. Dependent Variable: AEM

5. DISCUSSION

Based on the result, companies with a high level of public ownership do not necessarily have a high level of CSRWD. The lack of significant effect of public share ownership on CSRWD can be caused by the lack of awareness of shareholders about the importance of CSR so that shareholders do not pay too much attention to disclosure of CSR activities on the company's website or companies that have not utilized their website to disclose CSR. Another reason could be that most of the shareholders are oriented towards short-term performance and profit-oriented for the current year, while the effect of CSR disclosure will only be seen in the medium and long-term performance. They revealed that the topic of CSR is still relatively new and difficult to measure. Many companies only disclose CSR activities as part of promotions and avoid providing relevant information.

We also found that companies with large board of commissioner members do not ensure they have a high level of CSR web disclosures. This could be due to the fact that in carrying out their responsibilities, the board of commissioners focuses more on monitoring financial performance than on CSR disclosure performance on the company's website. The result of this study similar to the study conducted by Krisna and Suhardianto [41]. They did not find any significant intervention from the board of commissioners on the management side in the social performance of the company. In addition, the result of this study also similar to Laksmi and Kamila [22] who reveal that the number of members of the board of commissioners in the company does not affect CSR disclosure.

Similarly, we found that the larger the size of the audit committee does not ensure the higher the level of CSR web disclosure will be. Just like the board of commissioners, this discrepancy can be caused by members of the audit committee who focus more on monitoring the company's performance than other aspects, such as financial performance, so that the disclosure of CSR activities on the company's website is not the main concern of audit committee members. The same thing was found by Burhany et al. [12]. They did not find any significant effect of the size of the audit committee on CSR web disclosure.

Contrary to our hypothesis, it cannot be ensured that companies with a high level of profitability also have a high level of CSR disclosures on their website. This discrepancy may occur because companies with high levels of profitability tend to be insensitive to the negative reactions of shareholders to environmental and social risks. Another reason could be because the company uses its profits for the company's operational activities and does not carry out CSR activities. This is consistent with Sommer et al. [1] who did not find any effect of profitability on CSR web disclosure. Krisna and Suhardianto [41] also found the same result that there was no significant effect of profitability on CSR disclosure. They reveal that most of the companies with high levels of profitability do not pay attention to their social responsibility activities. In addition, Burhany et al. [12] also did not find the effect of profitability on the disclosure of social responsibility activities on the company's website.

We also did not find any significant effect of leverage on CSR web disclosure. It can be said that companies with low levels of leverage do not always have extensive CSR disclosures on their website. This discrepancy may occur due to pressure from shareholders on all companies, especially public companies, to continue to disclose CSR as a form of corporate responsibility regardless of the level of leverage of each company. This result similar to Sommer et al. [1] who did not find any effect of leverage on CSR web disclosure. The same thing was also found by Krisna and Suhardianto [16], that there was no significant effect of leverage on the extent of CSR disclosure. They found that the negative leverage value means that CSR activities are considered as profit-reducing activities and the demands from shareholders are not strong enough to make companies tend to not emphasize CSR.

However, the results obtained indicate that the larger the size of the company, the wider the CSR disclosure on the company's website. This is because large companies have more resources to allocate to CSR activities than small companies and large companies will get more attention from stakeholders for their responsibilities to the surrounding environment. The results of this study are in line with Sommer et al. [1] who found that larger companies will receive greater pressure to meet stakeholder expectations regarding social responsibility, which will encourage companies to disclose CSR activities on their websites. They state that small companies require relatively large additional costs to be able to make complete disclosures of large companies. Another reason is that because small companies tend to be in a situation of intense competition with other companies, excessive disclosure of CSR information to external parties can jeopardize their position in competition, so that small companies tend not to disclose as comprehensively as large companies. The results of this study are also in accordance with the research conducted by Krisna and Suhardianto [41] and Oktavianawati and Wahyuningrum [23] who reported a positive influence of company size on CSR disclosure. In addition, Kaur and Kaur [17] and Burhany et al. [12] also reported similar results. They found that company size had a positive effect on CSR disclosure on the company's website. They reveal that assets reflect the stability of a company so that companies with large sets tend not to hesitate in paying attention to CSR.

Finally, we did not find a significant effect of CSR web disclosure on financial statement quality. The results obtained cannot ensure that companies with a high level of CSR web disclosure have a high-quality financial report without any indication of earnings management practices or vice versa. This discrepancy can be caused by the level of CSRWD disclosure in Indonesia, which is still relatively low, especially in the consumer sector with an average value of 0.2005 so that no definite effect of CS web disclosure on earnings management can be found. The results of this study are similar to the research of Moratis and van Egmond [47] which also did not find any effect of CSRD on earnings management. They reveal that CSR-oriented companies may not display opportunistic behaviour in earnings management but more opportunistic in CSR activities.

6. CONCLUSIONS

This study investigates factors affecting CSR web disclosure and the association between CSR web disclosure and financial statement quality. Using data from a sample of 94 consumer non-cyclicals and consumer cyclical companies listed on the Indonesia Stock Exchange (IDX) in 2020, we found no significant effect of public share ownership, board commissioner size, audit committee size, profitability, and leverage on CSR web disclosure. The only independent variable that a has significant effect on CSR web disclosure is company size. We argue that the larger company the more attention it will get from stakeholders for their responsibilities to the surrounding environment. Another reason is that larger companies have sufficient resources for conducting CSR activities than small companies. The results also show that CSR web disclosure has no significant effect on financial statement quality. This can be caused by the level of CSR disclosure in Indonesia, which is still relatively low, causing a lack of data in this study.

This study's findings have implications for investors and creditors who need to focus not only on the company's financial performance, but also pay attention to the CSR disclosures made by the company. Doing so will help to increase pressure on the company to be more responsible for the surrounding environment. This study's findings also have implications for company boards, who need to be more responsible to all stakeholders through disclosure of CSR activities in annual reports, company websites, as well as CSR or sustainability reports to increase recognition from stakeholders and enhance the company's reputation [16].

It is acknowledged that this study has several limitations that could be addressed in future research. First, this study focuses on consumer sector companies only and studied 94 final sample are small. This small sample may decline the generalizability of the study. Future research can focus on or add different company sectors to get a larger sample size that can represent the population or extend the study period to improve the generalizability of results. Second, this study only uses one of the proxies of earnings management, namely accrual earnings management. Future research can use different earnings management measure to produce different values so the results can be compared.

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APPENDIX

Table 4. Corporate social responsibility web disclosure items

CSR web disclosure item	Number of companies disclosing the item	Disclosure Percentage
A. Environmental Information (ENV)		
1. The company's policy toward the environment	23	2.60%
2. Contribution in the environment protection programs	48	5.42%
3. Conservation of natural resources	27	3.05%
4. Recycling of plant wastes	28	3.16%
5. Financing and unsing equipment which protect the environment	9	1.02%
6. Green building	5	0.56%
7. Disposal of waste in a proper manner	20	2.26%
8. R & D for the environment	4	0.45%
9. Compliance with environmental regulations and requirements	46	5.19%
10. Energy saving	27	3.05%
Total environmental information disclosure	237	26.75%
B. Employee Information (EMP)		
11. Human resources development (e.g. training program/scheme)	39	4.40%
12. Employee education facilities	10	1.13%
13. Employee health arrangements	41	4.63%
14. Employee safety arrangements	39	4.40%
15. Holidays and vacations	5	0.56%
16. Recreation clubs and public libraries	5	0.56%
17. Employee special loan interest rates	1	0.11%
18. Labour rights	10	1.13%
19. Establishment of training centers	0	0.00%
20. Policies for the company's remuneration package/scheme	16	1.81%
21. Number of employees in the company	4	0.45%
22. Qualifications of employees recruited	3	0.34%
23. Employee share purchase scheme	0	0.00%
24. Stability of the workers' job and company's future	0	0.00%
25. Pensions scheme	3	0.34%
Total Employee Information Disclosure	176	19.86%
C. Community Involvement Information (COM)		
26. Donations to the charity, arts, sports, etc.	68	7.67%
27. Relation with local population	27	3.05%
28. Sponsoring education seminars and conference	33	3.72%
29. Transportation for students in the company's environment	3	0.34%
30. Establishment of educational institutions and/or educational facilities	36	4.06%
31. Establishment of health institutions and/or facilities	52	5.87%
32. Corporate gifts for society	3	0.34%

33. Public Hall and/or auditorium	0	0.00%
34. Sponsoring education and/or scholarship to students	26	2.93%
35. Providing job opportunities and helping in reducing the unemployment rate	21	2.37%
36. Contribution toward community serving program	38	4.29%
37. Conduction projects in poor areas	15	1.69%
38. Cash rewards for the society	4	0.45%
39. Financial assistance for the underprivileged	33	3.72%
40. Participate and financing the community’s traditional or religious events	46	5.19%
Total Community Involvement Information Disclosure	405	45.71%
D. Products Information (PRO)		
41. Developments related to the company’s products or services	6	0.68%
42. Research projects set up by the company to improve its product in any way	3	0.34%
43. Product or service quality	23	2.60%
44. Responsiveness to customer complaints	22	2.48%
45. The company’s role in controlling prices and optimizing profits	0	0.00%
46. Compliance with customer protection legislation	9	1.02%
47. Customer service, market, research, product, warranty programs to educate customers about the goods sold or the services offered	5	0.56%
Total Product Information Disclosure	68	7.67%
TOTAL	886	100%