Corporate Social Responsibility Disclosure: An Information Content Analysis Approach for Companies in Indonesia

David HM Hasibuan[1] and Dyah Purwanti[2]

[1] *STIE Kesatuan,* E-mail: davidhasibuan@stiekesatuan.ac.id
[2] *Politeknik Keuangan Negara STAN,* E-mail: dyahpurwanti@pknstan.ac.id

Abstract: This study aims at analyzing the information content of Corporate Social Responsibility (CSR) from time to time, following similarly previous research. In addition, we also tried to prove whether government regulations affect the extent of disclosure of Corporate Social Responsibility (CSR). The motivation of this study is encouraged by the inconsistent results in previous studies for the same variables. Using a sample of 365 companies listed on the Indonesia Stock Exchange, with the observation period from 2013 to 2015, we did a content analysis of CSR information in the annual report of the company. The content of CSR information were grouped into six (6) aspects of the environment, society empowerment, health, employment and safety at work (labor), product liability (product responsibility) and the use of energy (energy). Our analysis resulted that the content of information disclosure for empowerment identification aspect is the most widely disclosed aspect, and the least disclosed aspect is the use of energy. Companies running in mining sector had the highest disclosure average, and corporate financial services sector that had an average of CSR disclosure at the least. Other finding in this study is that we have empirically proven that government regulations have significant and positive effect on the extent of CSR disclosure. Our finding reinforces previous studies that have shown similar results. This study proved that except for use of energy aspect, government regulations have significant effect on the extent of disclosure of every aspect of CSR, namely the environmental aspect, the aspect of community empowerment, aspects of employment, health aspects, and aspects of product liability.

Keywords: disclosure, corporate social responsibility, government regulation, information content, annual report

I. INTRODUCTION

The behavior of non-financial companies' disclosure attracted the attention of researchers over the last two decades. The emergence of the idea of environmental awareness that culminated in the 3P concept, People-Planet-Profit, moving the entire element institution in the world, government, community and

business world, together to create a balance between the profit of the business, and the environment in which it operates. World leaders agreed to declare sustainable development program by emphasizing the 3P aspects, as we now often call the Sustainability Development Goals (SDG).

Government as the regulator has issued rules to implement sustainable global development (SDG). One of these rules is Act No. 40, in 2007[1] on Limited Liability Companies. One important aspect relating to the above concept 3P is the government incorporates the company's responsibility to the surrounding environment, which is known as Corporate Social Responsibility (CSR) concept. In principle, CSR is a company's ongoing commitment to be responsible in the economic, social and ecological environment or to the community, the environment, and the stakeholders (stakeholders). The responsibilities include preventing the negative impacts of the company against other parties, and the surrounding environment and to improve the quality of people including employees, suppliers, customers, and the environment surrounding the company. In other words, companies must align the achievement of economic performance (profits) with the social performance (people) and environmental performance (planet) or the so-called *triple bottom-line* performance. The alignment of these three performances ultimately will enable company to bring in abundant social blessings or sustainable benefits (sustainability).

In practice, the implementations of CSR practices vary among companies. The difference in understanding the meaning of CSR by companies will lead to differences in the implementation of CSR among companies as well, depending on how these companies interpret CSR. Herein, lies the importance of setting CSR regulations in Indonesia, in order to have regulatory, boundaries and supportive effect. Originally, the initial voluntary CSR needs to be upgraded into a more mandatory CSR. Of course, many businesses will likely reject CSR if it is made into mandatory. The reasons are not only will it burden the business and cause bankruptcy. It will also disrupt the business and investment climate, as well as triggering multinational corporations to pull out of Indonesia (Farahdiba, 2012[2]).

Article 74 of the Act provides for the disclosure obligations of social responsibility and environmental corporate social responsibility. Responsibility or Corporate Social Responsibility (CSR) is an action or concept carried out by companies (in accordance to the ability of the company) as a form of their responsibility towards the social and the neighborhoods where they operate. Examples of responsibilities is diverse, ranging from activities that can improve people's welfare and improvement of the environment, provision of funds for maintenance of public facilities, donations to the village or community facilities that are social and useful for many people, especially the people who reside around the company (Nasir *et al.,* 2013: 32; and Fadhilah and Sagara, 2015[3]).

Detailed arrangements regarding the implementation of CSR has not yet been done in Indonesia, so that the implementation of CSR is still dependant on the goodwill of businesses and government regulations relating to aspects of environmental sustainability, community development and safety and health in the workplace. The absence of detailed rules on the implementation of CSR, make the CSR activities undertaken vary among companies, thus, also cause vary information disclosed in these companies' annual report.

The extent of disclosure of CSR is driven by factors of company characteristics such as company size, profitability, leverage, firm age, good corporate governance (GCG) (Sembiring 2005[4]; Gray et al. 2001[5]; Belkaoui and Karpik, 1989[6]; Hackston and Milne, 1996[7]; Adam et al ., 1998[8]; Anggraini, 2006[9]).

In addition, the disclosure of CSR activities in the annual reports is intended mainly to attract the attention of investors, by promoting itself as a responsible and environmentally friendly company (Zuhroh and Sukmawati, 2003[10]; Cetindamar and Husoy, 2007[11]; and Lopez *et al.,* 2007[12]; Morse (1981) in Ardiansyah, 2002[13]).

In this study, we tried to deeply analyze the variation of CSR disclosure in annual reports of companies listed on the Indonesian Stock Exchange (BEI). We analyze the variation disclosure by analyzing the content of CSR information in the annual report by grouping the companies listed on the Stock Exchange based on industry classification established by the Stock Exchange. The grouping of every sector is related to the nature of the company's operations, business characteristics and the use of the corporate resources, and most importantly deals with corporate responsibility towards the environment in which it operates. In addition, this study also analyze the content based on the Index of Global Reporting Initiative (GRI14) covering six aspects, namely the environment (environment), community development (society), employee health (Health), wage policy and safety of workers (Labor), product liability (product) and the use of energy (energy).

In addition to analyzing the variation of CSR disclosure every industry sector according to the Stock Exchange, we also compare the company's high profile (fully regulated) and low profile associated with the level of environmental responsibility (Hackston and Milne, 1996; Zuhroh and Sukmawati, 2003; and Sembiring, 2005). To test the difference between the company's CSR disclosure variety of high-profile and low profile, we use descriptive and regression analyzes and compare the results of an analysis of these two groups.

The results of this research is expected to provide new empirical evidence in determining the underlying factors that affect the extent of CSR, especially in the aspect of government regulation. And based on these results, we provide input to the government in improving the social responsibility of companies.

II. LITERATURE AND HYPOTHESES DEVELOPMENT

(a) Disclosure

Disclosure is defined as the provision of information needed for optimal and efficient operation of the capital market (Hendriksen, 1998[15]). Conceptually, disclosure is an integral part of the financial reporting (Suwardjono, 200 5[16]). Technically, the disclosure is the final step in the accounting process, namely the presentation of information in the form of a full set of financial statements. Comprehensive disclosure required by the users, especially investors and creditors, but not all of the information is disclosed in detail and transparent.

According to Foster (1986[17]), information is said to be useful if it has information content and that it has significance for the users of such information. The significance of the information for consumers are influenced by three things: (1) Expectations of capital markets about the meaning and time of the presentation of information, (2) The implications of the information presented on the distribution of returns in the future, (3) Credibility of sources of accounting information through the financial statements, wherein the source of this information is one type of information needed by investors in the decision making process.

Evans (2003: 336) in Soewardjono (2005) identified three levels of disclosure, which is adequate (adequate disclosure), fair or ethical (fair or ethical disclosure), and full (full disclosure). These levels have implications for what should be disclosed. Adequate levels (adequate disclosure) is the minimum level that must be met in order for the overall financial statement not to mislead the directional decision. The reasonable or ethical rate (fair or ethical disclosure) is the rate that must be achieved so that all parties are treated and/or receive the same informational services. The full rate (full disclosure) requires the presentation in full of all of the information that interlock with the directional decision. Too much details presented in the information will obscure the significancy of information, and give rise to controversy, thus causing the financial statements may be difficult to understand. Therefore, the appropriate disclosure of important information for investors and other parties should be sufficient, reasonable and complete.

Meek *et al.* (2005[18]) states that voluntary disclosure is a free disclosure, where management can choose the type of information to be disclosed that is considered relevant to decision-making for those who will take benefits. Voluntary disclosure is a disclosure item carried out voluntarily by companies without required by regulations. Voluntary disclosure (Voluntary disclosure) should be disclosed by management, so that other information that is not disclosed in the disclosure shall be obtained by the users of financial statements.

(b) Previous Research

Research on disclosure in the financial statements and financial variables-related will give an idea of the nature of the vast differences between the company and the disclosure of financial variables that influence it, and can inform the company's condition in a reporting period. In achieving efficiency and as a means of public accountability, financial statement disclosure becomes a significant factor.

There are many factors that may be affecting the level of completeness of disclosure of a corporate financial statements. Among them is the level of liquidity, leverage levels, age of firm, size of firm, level of profitability, the share of public shares, operating profit margin, return on equity and the company's capital status (Binsar and Lusy, 2004[19]). This study will discuss the company's size, liquidity, and leverage levels due to these variables are the least consistent in the results of previous research.

Gunawan (2007)[20] recommends that the size of companies and debt to total assets affect the level of disclosure. Salamon and Dhaliwal (1980)[21] recommends that companies to obtain external long-term capital from external sources must voluntarily report segmental financial data. The results showed that the type of manufacturing industry have more extensive disclosure level compared with other types of industries. Mei Tan, Hossain and Adain (1981)[22] recommends a positive and significant relationship exists on voluntary disclosure to the size of companies, foreign listing status and ownership structure.

While Cow and Borrn Wong (1987)[23] in Nor Hadi and Sabeni (2002)[24] recommends that the size of the company affects voluntary disclosure. While the results of research by Sabeni and Nor Hadi (2002) showed that the size, affects the company's base of voluntary disclosure. While the solvency, liquidity, and public ownership does not affect the voluntary disclosure. Yularto and Chariri (2003)[25] findings indicate that company's size during 3 consecutive years has consistently shown that the greater the size of the company, the more extensive voluntary disclosure will be. Likewise, the status of the companies

for 3 consecutive years have consistently shown that state-owned companies reveals a broader voluntary disclosure than non-state-owned companies. While the leverage ratio, liquidity, and public shareholders have no effect on voluntary disclosure.

(c) Hypotheses Development

According to Coghill (1999) in Basuki and Patrioty (2011: 26)[26] government regulations can be understood as an inseparable part of the corporate environment, because as a regulatory body, government has a significant role on the policies made by the company towards its external environment. The Indonesian government issued Law Corporate No. 40 Year 2007 on Limited Liability Company. In article 74, the law requires companies to outline the activities and costs relating to corporate social responsibility towards society and the environment. Bapepam-LK (now the Financial Services Authority/FSA) issued a decree No. 134 / BL / 2006 concerning Obligation to Submit Annual Report for Issuers and Public Companies. Compared to the previous rules (Bapepam Decree No. 38 / PM / 1996), there is a much more amount of information which must be disclosed, particularly with regard to the practice of corporate governance. Another regulation that touches CSR is Law No. 25 of 2007 on Investment. Article 15 (b) states that "Every investor is obliged to implement corporate social responsibility". Although this law has set sanctions in detail to an enterprise or the company that ignores CSR (Article 34), this law was only able to reach out to foreign investors, and has not explicitly explain about CSR for companies nationwide. This will have an impact on the increasing number of operational enterprise information that must be disclosed in the annual report of the company, including in CSR. In addition to the rules stated above, the Government also issued Law No. 23 of 1997 on Environmental Management, where every business that is affecting the nature of environment in its operations, is required to contribute to environmental improvement during the operation and rehabilitation after the operation has ended.

Government regulation variable has positive and significant impact on the disclosure of corporate social responsibility. This means that the presence or absence of regulations governing the implementation of corporate social responsibility will affect the size of disclosure of corporate social responsibility. Companies report the implementation of these regulations in the company's annual report. Obedience here included in the implementation of Law No. 40 Year 2007 regarding Limited Liability Company Implementation of Article 74 of the Corporate Social Responsibility and the Law No. 23 of 1997 on Environmental Management (Melantika, Cahyaningsih, 2011) 27. Farahdiba (2012) also showed that the factor of government ownership, government regulations, company type and size of the industry significantly influence the disclosure of CSR in Indonesia.

Based on the description above, we draw the hypothesis of this study:

H1: CSR bound regulations on the industry affects the disclosure of CSR in Indonesia.

III. RESEARCH METHOD

1. Population and Samples

The population of this research is all companies disclosing their CSR program in the Indonesia Stock Exchange. Based on existing data in the IDX website, on December 31, 2016, there are five listed

companies. The sampling method in this research is purposive sampling. Samples were collected based on a certain criteria (Hartono, 2004, 79)[28].

Based on the selection made, we acquired 365 companies as research samples. The following criteria were used to select the study sample:

1. The research sample is a company listed on the Stock Exchange as of December 31 2013 to 2015.

2. Sample of research must be a company that is contained in the directory listing annual report as at December 31 2013 to 2015.

3. Samples research should present an annual report on 31 December 2013-2015.

4. The research sample should present CSR disclosure in its annual report.

Table 1
Table 1 Criteria of Research Sampling

No	Criteria	Sum
1	The amount of companies enlisted in Indonesia Stock Exchange as of 31 December 2013-2016	495, 513, 527
2	The amount of companies enlisted in annual report directory as of 31 December 2016	531
3	Companies presenting annual report as of 31 December 2013-2015	365
4	Companies presenting CSR disclosure in their annual reports as of 31 December 2013-2015	365

Source: processed IDX Data.

These samples then grouped based on the classification in the Indonesia Stock Exchange (IDX), namely:

Table 2
Industries based on the IDX Classification

Code	Sector	Sum
1	Agriculture	16
2	Mining	27
3	Basic Industry and Chemicals	48
4	Miscellaneous Industry	24
5	Consumer Good Industry	26
6	Property, RE and Building	46
7	Infrastructure, Utilities and Transportation	33
8	Finance	59
9	Trade, Services and Investment	86
		365

Time Span

In accordance with the characteristics of the research problems that will be answered this research is in the form of study pertained panel data, the type of study which data are in the form of multiple subjects

in a given time period (Indriantoro and Supomo 2002, 95)[29]. The time of observation study is determined for the year of 2013-2015 based on the grounds that the year 2013-2015 was the year in which we can obtain the latest data in the form of an annual report. This research was conducted in 2016, while the last information update in IDX database was in 2016 containing annual report and financial statements.

Statistical Method

Based on consideration of the theme of the research and the value of the data, the statistical methods used in this research is descriptive statistics and multiple linear regression.

Variables Operationals

This study uses 11 variables and each variable is measured using specific indicators. Table 3 provides a summary of the study variables and their indicators.

Table 3
Variables and Research Indicators

No	Variables	Indicators
1	CSR Disclosure (DISCLOSURE)	Total Disclosure Quantities (76 items)
2	Environmental Aspect Disclosure (Environment)	Quantity of Environmental Aspect Disclosure
3	Societal Aspect Disclosure (Society)	Quantity of Societal Aspect Disclosure
4	Labor aspect Disclosure (Labor)	Quantity of Labor aspect Disclosure
5	Product Aspect Disclosure (Product)	Quantity of product responsibility aspect disclosure
6	Energy Aspect Disclosure (Energy)	Quantity of Energy disclosure
7	Health Aspect Disclosure (Health)	Quantity of health disclosure aspect
8	Company Size (SIZE)	Company's total asset
9	Government Regulation (Reg)	Dummy (1 = sector 1,2,6; 0 = sector 3,4,5,7,8,9)
10	Company's Profitability (ROA)	Return on Assets (Net Income/Total asset)
11	Leverage (DER)	Total Company's liabilities/Total Asset
12	Company's Book Value (PBV)	Book value/Equity book value
13	Company profile (Prof)	Type of Industry (High/Low Profile)

CSR Disclosure

The dependent variable is measured with instruments such as disclosure index used by Sembiring (2005), with a score of 0-1 and a total score that can be obtained between 0-76. A list of disclosure items has 76 items of disclosures which are divided into six sections with each section having its own components. The benchmark used in scoring on any item is 0-1. Low score of 0 is given to no disclosure of information, and a score of 1 will be given on the disclosure of more detailed information (the supporting quantitative data). The more items of voluntary disclosure contained in the annual report means that the greater the level of the company's voluntary disclosure index. Companies with higher index numbers indicate that it is is relatively doing more comprehensive disclosure practices than any other company.

Table 4
Descriptive Statistics

	Der	Disclosure	Energy	Environment	Health	Labor	Pbv	Product	Reg	Roa	Size	Society
Mean	1.753201	0.254618	0.091196	0.167590	0.252107	0.176044	2.376477	0.140110	0.245630	0.036670	7.892374	0.259117
Median	0.970000	0.240000	0.000000	0.080000	0.250000	0.170000	1.150000	0.000000	0.000000	0.030000	7.930000	0.220000
Maximum	70.83000	0.660000	0.860000	0.850000	1.000000	0.550000	246.4600	1.000000	1.000000	1.560000	13.72000	0.780000
Minimum	-31.04000	0.030000	0.000000	0.000000	0.000000	0.000000	-41.08000	0.000000	0.000000	-1.200000	1.610000	0.000000
Std. Dev.	3.408832	0.116410	0.178507	0.212701	0.238826	0.109839	8.685685	0.191320	0.430658	0.122576	1.836991	0.147250
Skewness	7.686925	0.677501	1.786159	1.349329	0.656920	0.514274	21.26598	1.214538	1.181851	-0.033437	0.066687	0.156671
Kurtosis	166.8040	3.242870	4.936989	3.937038	2.652817	3.141669	580.2116	3.648918	2.396771	45.94142	3.315133	2.776467
Jarque-Bera	1225960.	85.82841	747.9187	369.6162	83.64066	48.82353	15171903	286.3115	269.5293	83516.46	5.303522	6.709962
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.070527	0.034910
Sum	1905.730	276.7700	99.13000	182.1700	274.0400	191.3600	2583.230	152.3000	267.0000	39.86000	8579.010	281.6600
Sum Sq. Dev.	12619.47	14.71682	34.60525	49.13229	61.94288	13.10219	81929.06	39.75119	201.4167	16.31694	3664.744	23.54715
Observations	1087	1087	1087	1087	1087	1087	1087	1087	1087	1087	1087	1087

RESULTS AND DISCUSSION

1. Data Description

In order to identify the characteristics of the data used in this study, we then tested the descriptive statistical results as presented in Table 4. Based on a statistical description, it appears that the number of the research object is 365 companies. Of the 365 companies observed, characteristics of each data is visible. Descriptive analysis of data can be seen in Table 4 (see Appendix).

2. Analysis disclosure aspects of CSR per industry sector

We begin the analysis of the content of information on CSR disclosure in the financial statements of companies listed on the Stock Exchange. In Table 5, we present the results of recapitulation CSR information content. In total, the company in the second sector (mining) present most disclosed information (31.60%), followed by property sector (29.31%), and financial services sectors are the least disclosed of CSR (20:44%).

CSR disclosure which we adopted in this study covers six aspects, namely the environment (environment), community empowerment and environmental development (Society), employment (Labor), Occupational Safety and Health (Health), the use of energy (Energy) and product liability (Product). In Table 5, we identify the disclosure aspect of community empowerment and environmental development as the greatest expressed by all sectors. Even being the highest expression of 5 (five) other aspects of the enterprise sector Miscellaneous (4), Financial Services (8) and the Trade, Services and Investments (9). The aspect with the least disclosed is the use of energy (Energy) of 9.81%.

Table 5
The Extent of CSR Disclosure Aspects Based on Indsutrial Sector

Sector	Pop	ENV	Energy	Health	Labor	Product	Society	Disc
1	16	35.42%	13.10%	36.20%	19.83%	22.71%	34.72%	27.06%
2	27	28.58%	9.17%	37.19%	21.07%	13.83%	35.39%	31.60%
3	48	29.27%	11.61%	32.90%	15.59%	23.33%	26.00%	24.31%
4	24	20.30%	12.90%	29.86%	13.98%	14.58%	25.93%	27.34%
5	26	21.70%	9.71%	28.37%	15.92%	16.54%	26.50%	23.23%
6	46	17.39%	6.83%	24.18%	20.16%	14.35%	25.76%	29.31%
7	33	14.22%	9.52%	26.64%	19.23%	10.81%	24.47%	24.47%
8	59	6.87%	8.80%	15.75%	18.68%	10.68%	25.30%	20.44%
9	86	7.51%	6.70%	18.27%	16.15%	9.42%	22.78%	25.69%
Total	365	20.14%	9.81%	27.71%	17.85%	15.14%	27.43%	25.94%

Source: compiled from the analysis

Environmental aspect is the most disclosed information by companies located in the agriculture sector (1) as much as 35.42%. Next, companies running basic industry and chemical sector (2) and the mining sector (2). It is easy to understand why the disclosure of environmental aspects is the third largest

industry sector, considering the three industries sector it operate with the greatest negative environemtal impact. The least disclosure found in in the financial services industry (8) as much as 6.87%, trading sector, utilities and investments (9) as much as 7:51%.

The agricultural sector (1) and the mining sector (2) reveal the highest aspects of community development and environmental development (Society), amounting to 35.39% and 34.72%. Disclosure of the Society's aspect is most widely expressed by all sectors compared to other aspects. One interesting thing we found was the disclosure aspects of employment policy and safety (Labor) conducted by the Property sector companies (6). It is associated with a number of safety rules, and other labor regulations issued by the Government through the relevant technical institutions.

Most dsiclosed aspects of the energy disclosure is conducted by companies in the agricultural sector (1) of 13:10%, followed by the Industry Miscellaneous sector (4) 12.90% and the smallest is the property sector (6) as much as 6.85%. Next is disclosure of health aspect, the largest is made by agricultural sector (1) and the mining sector (2). While the highest disclosure of product responsibility aspect (product) is made by companies in the sector of industry Basic Industry and Chemicals (3) of 23:33%, and the least is the Trade sector companies, Services and Investment (9) and Financial Services (8).

The results of our analysis supports the partial results of the analysis by Gunawan (2007), where the results *of the analysis of the information content of corporate social disclosures (CSD) in Indonesian listed companies' annual reports for the years 2003 to 2006, the findings show that 'human resources' information is the information most disclosed, while 'sustainability' is the least Disclosed information in the companies' annual reports.* But the "sustainability" part began to get a portion of the more disclosure, over time, reevant to the release of government regulations related to environmental sustainability and natural resources. The smallest disclosure is disclosure of the use of energy, which rules on the use of energy in Indonesia are still directed to companies that relatively have high carbon emissions.

3. Regression Results

(a) Classical Assumption Test

We conducted a classical assumption of normality test, multicollinearity, autocorrelation and heteroscedasticity. Classic assumption test results can be seen in Table 5 in the Appendix. The test results demonstrate the classical assumption F (prob) 0.0000 <5%, which indicates the data were not normally distributed. We use the arguments of the Central Limit Theorm (CLT) where testing with data that exceeds 30 units can ignore normality (classical assumption test results can be found in Appendix 2).

The test results multicollinearity seen from the figures *Variance Inflation Factor* (VIF), indicates the number <10, so the model is free from multicollinearity. Neither the autocorrelation test results of all independent variables have a correlation <0.6, so there is no autocorrelation in the model used in this study. Heteroscdasticity test showed regression with abs_resid of the original regression generate significant value of> 10%, shows the model is free from the problem of heteroscedasticity.

(b) Regression Result

Before testing with multiple regression analysis, we carried out some tests to get the best model. After the Chow test (elected Fixed Effect) and then proceeded with Hausman test, we obtained sig 1000, thus

Random Effect was elected. By using the chosen Random model, we acquired the regression results shown in Table 6. The results of simultaneous testing showed that government regulations (REG) have significant positive effect on the disclosure of CSR in total (DISCLOSURE), with variable control SIZE, ROA, DER, and PBV. Adjusted R2 generated at 13:19% (significance = 0.0000), and this hypothesis is accepted.

In this study we include control variables such as firm size, leverage, price-to-book value (PBV) and profitability. Firm size (SIZE) also has significance of regression coefficient 0.0000 and 0.0234, this indicates that the bigger the company the more comprehensive disclosure of CSR in its annual report. Then the variable LEV also has significance to the regression coefficient 0.0072 -0.0021, which means the greater the company's debt, the least bit its CSR disclosure. Price-to-book value (PBV) showed sig. 0.0541 (significant at 10%) with a regression coefficient of 0.0006. And the only variable profitability (ROA) has no significant effect on CSR disclosure.

Table 6
Regression Analysis Result

Variabel	Environment	Society	Labor	Health	Product	Energy	Disclosure
REG	0.0777	0.0306	0.0147	0.0434	-0.0035	-0.0238	0.035
	(0.0000)***	(0.0065)***	(0.0903)*	(0.0262)***	(0.0823)*	(0.1084)	(0.0001)***
SIZE	0.0286	0.0315	0.0207	0.0302	0.0252	0.0241	0.0234
	(0.0000)***	(0.0000)***	(0.0000)***	(0.0000)***	(0.0000)***	(0.0000)***	(0.0000)***
ROA	-0.0413	0.0822	0.0274	-0.0739	0.0339	0.0409	0.0074
	(0.3708)	(0.0156)***	(0.2628)	(0.1874)	(0.4282)	(0.3423)	(0.7525)
DER	-0.0044	-0.0012	-0.0001	-0.0028	-0.0015	-0.0016	-0.0021
	(0.0044)***	(0.2994)	(0.8633)	(0.1303)	(0.2960)	(0.4673)	(0.0072)***
PBV	0.0004	0.0003	0.0002	0.0011	0.0009	0.0008	0.0006
	(0.4694)	(0.5102)	(0.4699)	(0.1142)	(0.00823)***	(0.1360)	(0.0541)*
R2	0.0742	0.1417	0.1036	0.0488	0.0485	0.0495	0.1359
Adjusted R2	0.0699	0.1377	0.099	0.0444	0.0441	0.0452	0.1319
Prob (F-Stat)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
DW	1.6357	1.7953	1.7208	1.6993	1.7778	1.7289	1.6817

Source: compiled from the processing

Information:

* Significant at the 10% level,

** Significant at the 5% level, and

*** Significant at the 1% level

Our subsequent analysis of significance testing separates disclosure of every aspect of CSR, namely the environmental aspect, the aspect of community empowerment, employment aspects, health aspects, aspects of the use of energy and aspects of product responsibility.

(a) The influence of government regulations on the disclosure of environmental aspects (Environment)

Government regulations have significant effect on the disclosure of environmental aspects, with the partial test results sig. of 0.0000 and regression coefficient of 0.0777. The test results simultaneous for government regulation and control variable (SIZE, PBV, ROA and DER) resulted in adjusted R2 of 0.0000 with 0.0699 significance. For variable control Size and Der have significant effect on the environmental aspects of the disclosure, which indicates a positive direction while the Size DER showed the opposite direction. In the mean time, PBV and ROA are not significant.

(b) The influence of government regulations on the disclosure aspect of community empowerment and environmental development (Society)

Government regulation significantly effecting the disclosure aspect of community empowerment and community development, with the partial test results sig. of 0.0065 and regression coefficient of 0.0306. The test results are simultaneous for government regulation and control variable (SIZE, PBV, ROA and DER) resulted in adjusted R2 0.0000 with 0.1377 significance. For the control variables and ROA SIZE have significant effects on the disclosure aspect of community empowerment and environmental development, which SIZE and ROA showed positive direction. Mean while, PBV and DER are not significant.

(c) The influence of government regulations on the disclosure of aspects of employment and safety (Labor)

Government regulations have significant effect on the disclosure of aspects of employment and safety, with the partial test results sig. 0.0903 (significant at the 10% level) and a regression coefficient of 0.0147. The test results simultaneously for government regulation and control variable (SIZE, PBV, ROA and DER) resulted in adjusted R2 0.099 with a significance of 0.0000. For the control variables, only SIZE significant positive effect on the disclosure of aspects of employment and workplace safety. Mean while ROA PBV and DER are not significant.

(d) The influence of government regulations on the disclosure of aspects of health (Health)

Government regulations have significant effect on the health aspects of the disclosure, with the partial test results sig. 0.0262 (significant at the 5% level) and a regression coefficient of 0.0434. The test results simultaneously for government regulation and control variable (SIZE, PBV, ROA and DER) resulted in adjusted R2 0.0000 at 0.0444 significance. For the control variables, only SIZE significant positive effect on the health aspects of the disclosure. Mean while ROA, PBV and DER are not significant.

(e) The influence of government regulations on the disclosure of aspects of product responsibility (Product)

Government regulations have significant effect on the disclosure of aspects of product responsibility, with the partial test results sig. 0.0823 (significant at the 10% level) and a regression coefficient of - 0.0035. The test results simultaneously for government regulation and control variable (SIZE, PBV,

ROA and DER) resulted in adjusted R2 0.0000 with 0.0441 significance. For variable control and PBV SIZE have significant positive effect on the disclosure of aspects of product responsibility. Mean while ROA and DER are not significant.

.(f) The influence of government regulations on the disclosure of aspects of the use of energy (Energy)

Government regulation significant effect on the disclosure of aspects of energy use, with the partial test results sig. 0.0262 (significant at the 5% level) and a regression coefficient of 0.0434. The test results simultaneously for government regulation and control variables ((SIZE, PBV, ROA and DER) resulted in adjusted R2 0.0452 with a significance of 0.0000. For the control variables, only SIZE significant positive effect on the disclosure of aspects of energy use. Mean while ROA, PBV and DER are not significant influence.

4. DISCUSSION

Seeing the above test results, our study supports the results of Melantika and Cahyaningsih (2011) and Farahdiba (2012), where government regulations have significant positive effect on CSR disclosure. Likewise, in line with research Yularto and Chariri (2003) who found that the state-owned companies have a CSR disclosure broader than the company's non-SOEs. In addition, many government regulations are aimed at companies, with the consequence of greater responsibility CSR to the company (high profile companies), have a significant effect on the disclosure of CSR. This is reflected in the research of Hackston and Milne (1996), and Ibrahim Rashid (2002), Zuhroh and Sukmawati (2003), Juholin (2004), SallyAnne (2004), Jones *et al.* (2005), Branco and Rodrigues (2006), and Jones *et al.* (2007).

However, this study also inconsistent with research Fadhilah and Sagara (2015) and Basuki and Patrioty (2011), who reported that government regulations do not significantly affect the disclosure of CSR.

V. CONCLUSION AND LIMITATION

Our research succeeded in proving empirically that government regulations have significant positive effect on the extent of CSR disclosure. This reinforces previous studies that have shownsimilar results. The new thing that we found in this study is that we proved that government regulations have significant effect on the extent of disclosure of every aspect of CSR, namely the environmental aspect, the aspect of community empowerment, aspects of employment, health aspects, and aspects of product liability, unless the disclosure aspects of the use of energy.

In addition, the content of our CSR information were grouped into 6 (six) aspects of the environment, community development, health, labor and workplace safety, product responsibility and the use of energy. Our analysis of the content of information identified that the community empowerment holds the most disclosed information, and aspects of the use of energy as the least disclosed. Mining sector companies had the highest average disclosure, and corporate financial services sector that have the lowest average of CSR disclosure.

The limitation in this study is that we use a dummy variable for the measurement of government regulations, and this becomes suggestions for future research to use more comprehensive measurements.
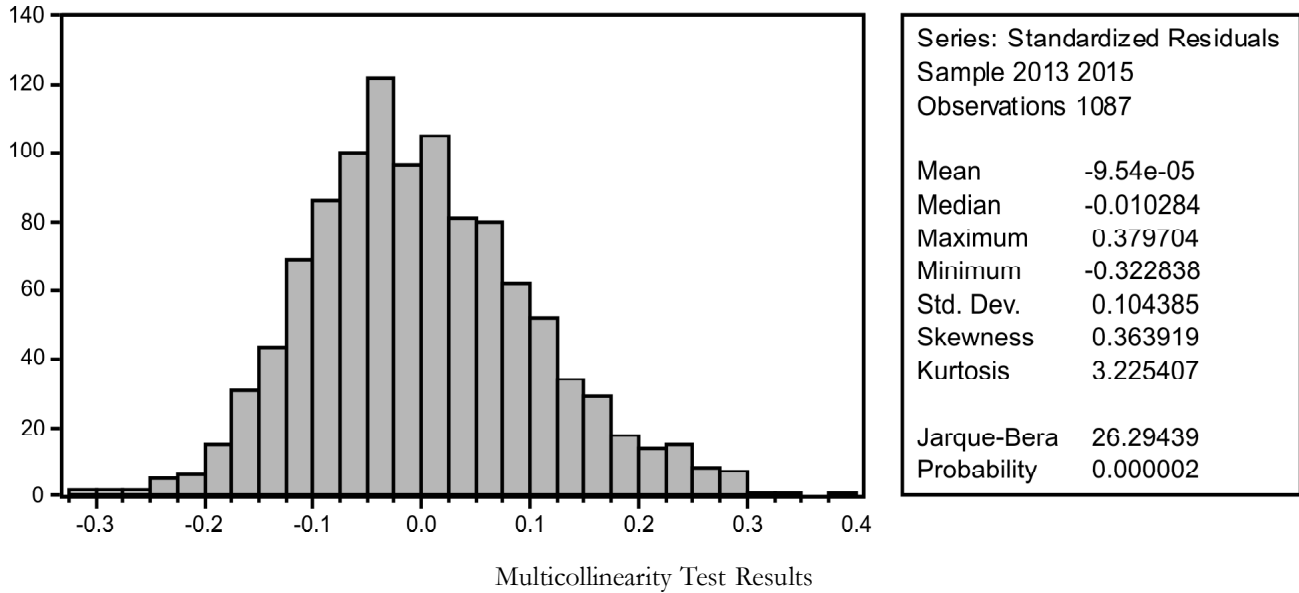
In addition, we also recommend to complete testing model with elements of good corporate governance, the age of the company, competition between countries and to expand the sample, to compare the legal system of common law and civil law that underlies the creation of rules of law of each country.

NOTES & REFERENCES

1. Farahdiba (2012), Pengaruh Karakteristik Perusahaan Dan Regulasi Pemerintah Terhadap Pengungkapan Laporan *Corporate Social Responbility (CSR). [Company Characteristics Influence and Government Regulation on Corporate Social Responsibility Disclosure Report]. Annual Report of Indonesia. Final Paper.* University of Diponegoro. Unpublished manuscript.

2. Regulation Act No 40 year (2007), Limited Liabilities Company.

3. Nasir, Azwir, Pipin Kurnia dan Teguh Dheki Hakri. (2013), Pengaruh Kepemilikan Manajerial, Leverage, Profitabilitas, Ukuran, dan Umur Perusahaan Terhadap Pengungkapan Informasi Pertanggungjawaban Sosial Perusahaan Pada Perusahaan Food And Beverage Yang Terdaftar di BEI".*[The effect of Managerial Ownership, Leverage, Profitability, Size, and Age Of Company on Disclosure of Corporate Social Responsibility In Food And Beverage Companies Listed in the IDX].* Journal of Economy, Volume 21, No. 4, 2013.

4. Fadilah, W dan Sagara, Y. (2015), Pengaruh Good Corporate Governance, Karakteristik Perusahaan Dan Regulasi Pemerintah Terhadap Pengungkapan Corporate Social Responsibility. [*The Effect of Good Corporate Governance, Characteristics of Company, and Government Regulation on CSR Disclosure]. Akuntabilitas Vol. VIII*, No. 1, April 2015 P-ISSN: 1979-858X p.78 - 89

5. Sembiring, Eddy Rismanda. (2005), Karakteristik Perusahaan dan Pengungkapan Tanggung Jawab Sosial: Studi Empiris pada Perusahaan yang Tercatat di Bursa Efek Jakarta. [*Characteristics of Company and Social Responsibility Disclosure: an Empiric Study on Companies Listed in Indonesia Stock* Exchane]. 8th National Accounting Simposium. Solo

6. Gray, R., M. Javad, and M. David. (2001), Social and Environmental Disclosure, and Corporate Characteristic: A Research Note and Extension." Accounting, Auditing, and Accountability Journal 28, no. 3 (2001): 327-356.

7. Belkaoui, A. and P. Karpik. (1989), Determinants of the Corporate Decision to Disclose Social Information. Accounting, Auditing, and Accountability Journal, no. 1 (1989): 36-51.

8. Hackston, D. and M. Milne. Some Determinants of Social and Environmental Disclosures In New Zaeland Companies. *Accounting, Auditing, and Accountability Journa*l 9, no. 1 (1996): 77-108.

10. Adam, C., W. Hill, and C. Roberts. (1998), Corporate Social Reporting Practices in Western Europe. *British Accounting Review* 30, no. 1 (1998): 1-21.

11. Anggraini, F. (2006), "Pengungkapan Informasi Sosial Dan Faktor-Faktor Yang Mempengaruhi Pengungkapan Informasi Sosial Dalam Laporan Keuangan Tahunan (Studi Empiris Pada Perusahaan-Perusahaan Yang Terdaftar Bursa Efek Jakarta)." [*Social Information Disclosure and Its Factors Influencing in Annual Financial Report (Empirical Study on Companies Listed in the IDX). Paper presented at the 9th National Accounting Simposium 9*, University of Andalas, Padang.

12. Zuhroh, D. and I. Sukmawati. (2003), Analisis Pengaruh Luas Pengungkapan Sosial dalam Laporan Tahunan Perusahaan terhadap Reaksi Investor (Studi Kasus pada Perusahaan-Perusahaan High Profile di BEJ). [*Analysis of the Influence of Social Disclosure in Company's Annual Report on the Reaction of* Investors]. Paper presented at the 6th *National Accounting Simposium*, University of Airlangga, Surabaya.

13. Cetindamar, D. and K. Husoy (2007), "Corporate Social Responsibility Practices and Environmentally Responsible Behavior: The Case of the United Nations Global Compact." *Journal of Business Ethics 76*: 163-176.

14. Lopez, M., A. Garcia, and L. Rodriguez. "Sustainable Development and Corporate Performance: A Study Based on The Dow Jones Sustainability Index." *Journal o f Business Ethics 75* (2007): 285-300.

15. Ardiansyah, R. (2002), "Pengaruh Pengumuman Saham Bonus Terhadap Volume Perdagangan Saham." [*The Effect of Bonus Shares Announcement of Stock Trading Volume]. Media Riset Akuntansi, Auditing dan Informasi 2*, no. 2.

16. Global Reporting Initiatives. Sustainability Reporting Guidelines. Boston: GRI, CERES, 2006.

17. Hendriksen, E. (1998), *Teori Akunting 5*.*[Accounting Theory]*. Book 1. Batam: Interaksara.

18. Suwardjono, (2005), Teori Akuntansi. Perekayasaan Pelaporan Keuangan, [*Accounting Theory. Financial Report Engineering]*.Yogyakarta: BPFE.

19. Meek, Gary K., Clare B Robert and Sidney J Gray (1995), Factor Influencing Voluntary Annual Report Disclousure by U.S. U.K and Continental European Multinational Corporation. *Journal of International Business Studies 26* (third quarter): 555-575.

20. Binsar, S. and Widiastuti, L. (2004), Faktor-faktor yang Mempengaruhi Kelengkapan Pengungkapan Laporan Keuangan pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Jakarta. *[Factors Affecting Completeness of Financial Statements in Manufacturing Companies Listed in the Indonesian Stock Exchange]. Jurnal Riset Akuntansi Indonesia* 7, no. 3 (2004).

Hartono, J. *Teori Portofolio dan Analisa Investasi 3rd*. [*Portfolio Theory and Investment Analysis*]. 3rd Ed. Yogyakarta: BPFE UGM, 2003.

Gunawan, Juniati. (2007), Corporate Social Disclosures by Indonesian Listed Companies: A Pilot Study. *Social Responsibility Journal*, 3(3): 26.

Salamon, G. and Dhaliwal, D. (1980), Company size and financial disclosure requirements with evidence from the segmental reporting issue, *Journal of Business Finance and Accounting*, Vol. 7 No. 4, pp. 555–568.

Mei Tan, Hossain and Adaim. (1981), Voluntary Disclosure by Malaysian Listed Companies-The Extent and Case, *Akuntansi Nasional.* Januari. 1981.

Chow, Chee W. dan Adrian Wong-Boren (1987), Voluntary Financial Disclosure by Mexican Corporation, The Accounting Review, Vol. LXII, No. 3, hal. 533-541.

Yularto, P.A. dan A. Chariri. (2003), Analisis Perbandingan Luas Pengungkapan Sukarela dalam Laporan Tahunan Perusahaan yang Terdaft ar di Bursa Efek Jakarta Sebelum Krisis dan Pada Periode Krisis. [*Comparative Analysis of the Extent of Voluntary Disclosure in Annual Reports of Companies Listed in Indonesian Stock Exchange].Jurnal Maksi Vol.2*/Januari/2003. PP. 01-19.

Basuki dan Patrioty, N.P. (2011), Pengaruh Regulasi Pemerintah, Tekanan Masyarakat, Tekanan Organisasi Lingkungan, Tekanan Media Massa, Terhadap Corporate Social Disclosure. [*the Influence of Government Regulation and the Pressure of Society, Environmental Organisation, and the Press on Corporate Social Disclosure].Ekuitas* Vol. 15 No. 1 Maret 2011: 23 – 39.

Melantika dan Cahyaningsih. (2011), Pengaruh Ukuran Perusahaan Dan Regulasi Pemerintah Terhadap Pengungkapan Corporate Social Responsibility (CSR) (Studi Pada Industri Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2008-2010). [*The Effect of Company Size and Government Regulation on CSR Disclosure (A Study on Mining Industries Listed in the Indonesian Stock Exchange in 2008-2010)]. Final Paper.* Telkom University. *Unpublished.*

Nor Hadi dan Arifin Sabeni. (2002), Analisis Faktor-Faktor yang Mempengaruhi Luas Pengungkapan Sukarela dalam Laporan Tahunan Perusahaan di BEJ. [*Analyses of Factors Influencing Voluntary Disclosure in the Indonesian Stock Exchange Annual Report]. Journal Maksi* Vol.1/August/2002. PP. 90-104.

Yularto, P dan Chariri. (2002), Pengungkapan Sukarela dalam Laporan Tahunan Perusahaan di BEJ". [*Voluntary Disclosure in Company Annual Reports in the Indonesian Stock Exchange. Journal Maksi* Vol.1/Augus/2002. PP. 90-104.

www.idx.co.id. *Accessed in* November, 2016.

Indrianto, N dan Supomo. (2002), *Metodelogi Penelitian Bisnis*. [*Business Research* Methodology].Yogyakarta: BPFE UGM.

Appendix 2
Normality Test Results

Series: Standardized Residuals	
Sample 2013 2015	
Observations 1087	
Mean	-9.54e-05
Median	-0.010284
Maximum	0.379704
Minimum	-0.322838
Std. Dev.	0.104385
Skewness	0.363919
Kurtosis	3.225407
Jarque-Bera	26.29439
Probability	0.000002

Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.047	.014		3.300	.001		
	PBV	.001	.000	.055	1.945	.052	.911	1.097
	DER	-.003	.001	-.080	-2.772	.006	.891	1.123
	ROA	.041	.027	.043	1.537	.125	.937	1.068
	SIZE	.025	.002	.399	14.062	.000	.919	1.089
	REGULATED	.041	.007	.151	5.486	.000	.976	1.025

a. Dependent Variable: TOTAL_DISC

Autocorrelation Test Results

Correlations

Control Variables			PBV	DER	ROA	Size	Regulated
TOTAL_DISC	PBV	Correlation	1.000	.199	.202	-.006	-.038
		Significance (2-tailed)	.	.000	.000	.853	.211
		Df	0	1084	1084	1084	1084
	DER	Correlation	.199	1.000	-.042	.242	-.081
		Significance (2-tailed)	.000	.	.164	.000	.008
		Df	1084	0	1084	1084	1084
	ROA	Correlation	.202	-.042	1.000	.063	.005
		Significance (2-tailed)	.000	.164	.	.038	.862
		df	1084	1084	0	1084	1084

contd.

Control Variables			PBV	DER	ROA	Size	Regulated
	Size	Correlation	-.006	.242	.063	1.000	.036
		Significance (2-tailed)	.853	.000	.038	.	.236
		df	1084	1084	1084	0	1084
	Regulated	Correlation	-.038	-.081	.005	.036	1.000
		Significance (2-tailed)	.211	.008	.862	.236	.
		df	1084	1084	1084	1084	0

Heterocedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.014	.008		1.667	.096		
	PBV	.000	.000	-.051	-1.648	.458	.911	1.097
	DER	.000	.001	.008	.267	.790	.891	1.123
	ROA	.009	.016	.017	.547	.585	.937	1.068
	SIZE	.009	.001	.246	8.038	.320	.919	1.089
	REGULATED	.006	.004	.038	1.267	.205	.976	1.025

a. Dependent Variable: absresid