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Corporate Life Cycle, Corporate Governance and Corporate Social Responsibility Disclosure

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ABSTRACT

This study examines the effect of CLC in the mature phase, size of the board of commissioners, size of the board of directors, and gender diversity on CSR disclosure with company size, profitability, slack, MTB, RnD, and company age as control variables. This study used 352 manufacturing companies listed on the IDX for 2019-2021. Secondary data was obtained from annual reports and analyzed quantitatively through multiple linear regression analysis with SPSS 25. This study found that CLC in the mature phase and the size of the board of directors had a significant positive effect on CSR disclosure. The size of the board of commissioners had an insignificant positive effect, while gender diversity had an insignificant negative effect. Companies in the mature phase with many directors will become increasingly involved in CSR because their conditions are stable. Meanwhile, commissioners focus more on financial performance, and male directors still dominate, so their influence is insignificant. This study implies that companies in the mature phase need to implement CSR to gain the trust of stakeholders so they can be sustainable in the long term, and the government needs to encourage companies to be committed to implementing CSR. Investors do not hesitate to invest in companies in the mature phase that have good social responsibility because these companies can be sustainable in the long term. This study adds a gender diversity variable, uses the latest GRI Standards with 148 indicators, and uses manufacturing companies registered on the IDX for 2019-2021 as the novelty from previous research.

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1. INTRODUCTION

The existence of business entities needs to be managed by maintaining good relationships by implementing and expressing contributions, responsibilities, and commitments known as Corporate Social Responsibility (CSR) (Gunawan, 2017; Tasya and Cheisviyanny, 2019; Widyasari *et al*., 2019). In disclosing CSR, business entities can refer to the Global Reporting Initiative (GRI) as a standard for reporting their impacts (Gobal Reporting Initiative, 2022; Nurharjanti *et al*., 2021). Regarding CSR reporting, Indonesia is the only country in Southeast Asia that is a member of the G20 and is expected to set an example in managing the environment and disclosing it transparently (Badan Kebijakan Fiskal, 2021). In particular, the manufacturing industry as a business sector needs to implement and express CSR because its business activities have many impacts on the surrounding environment (Mutia *et al*., 2011; Widyasari *et al*., 2019). However, based on Sustainability Reporting data in ASEAN Countries by Loh and Thomas (2018) and Loh and Singh (2020), Indonesia in 2018 was ranked last with a sustainability disclosure percentage of 53.6%, and in 2020, only 36%. This is followed by the average CSR disclosure in the manufacturing industry for the 2018-2020 period being only 33% (Putri *et al*., 2022). Thus, efforts are needed to encourage the implementation and disclosure of CSR, and it is necessary to examine what factors influence CSR disclosure.

This research uses the legitimacy theory by Tampubolon and Siregar (2019), that there is a social contract between business entities and society where society plays a role in providing something that business entities need for the sustainability of their business. Business entities will try to align the values of their activities with social values in society by implementing CSR to gain legitimacy and be disclosed in annual reports (Dowling and Pfeffer, 1975; Ratmono and Sagala, 2015; Widyasari *et al*., 2019). Disclosure of financial reports is an integral part of financial reporting and is the final step in the accounting process, namely presenting information to users such as investors, creditors, the public, and the government. Financial report disclosures can be grouped into two, namely mandatory disclosure and voluntary disclosure. Corporate social responsibility disclosure is considered voluntary disclosure because the regulator has not regulated the extent of the disclosure. Even though it is not mandatory, companies must make CSR disclosures because this is the company's ongoing commitment to reduce negative environmental impacts, help the community, and gain strategic benefits from these disclosures (Kamaliah, 2020). Several previous studies have suggested that several factors can influence CSR disclosure, such as the Corporate Life Cycle (CLC) in the mature phase, the size of the board of commissioners, the size of the board of directors, and the gender diversity of the board of directors.

CLC in the mature phase shows that the company has more abundant resources and will survive by maximizing CSR implementation to gain legitimacy and have a significant positive influence (Mulianty and Safrianyah, 2019; Widyasari *et al*., 2019). However, this differs from Lee and Choi (2018), who found an insignificant positive effect. It is alleged that the large size of the board of commissioners will maximize the implementation and disclosure of CSR to gain legitimacy so that it will have a significant positive influence (Widyasari *et al*., 2019; Yanti *et al*., 2021). Other research by Rivandi and Putra (2019) found an insignificant negative effect. It is also alleged that the large size of the board of directors will maximize the implementation and disclosure of CSR to gain legitimacy, considering that their task is to plan and ensure that CSR implementation is fulfilled so that it will have a significant positive influence (Ramadhani and Maresti, 2021). This differs from Widyasari *et al*. (2019), who found the negative effect insignificant. The more female directors there are, the more optimal CSR implementation and disclosure will be to gain legitimacy because women care more about social issues so they will

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have a significant positive influence (Gaio and Gonçalves, 2022). This differs from Issa and Fang (Issa and Fang, 2019), who found the positive effect insignificant. This research used control variables in the form of company size, profitability, slack, MTB, RnD, and company age.

Inconsistent research results motivate future researchers to research the influence of CLC and corporate governance on CSR disclosure. This research develops the research of Widyasari *et al.* (2019) by adding the gender diversity variable as a novelty because the gender diversity of directors is increasing and the role of women directors is proliferating (International Finance Corporation, 2019). Besides that, this research used the latest GRI Standards that companies have implemented as CSR measurements. GRI Standards were built in 2016 and updated in 2018 and 2019, so this research used the latest GRI Standards with 148 indicators (Global Reporting Initiative, 2022; Global Sustainability Standards Board, 2016, 2018, 2019). Thus, this study used manufacturing companies registered on the IDX as the population for the 2019-2021 period.

This research examines the influence of CLC in the mature phase, the size of the board of commissioners, the size of the board of directors, and gender diversity on CSR disclosure. This research can be used as a discourse on the development of accounting science and as a reference for relevant research. Apart from that, it is a consideration for companies in implementing and disclosing CSR, the government as a regulator, and investors in making investment decisions.

2. METHODS

With a quantitative approach, this research uses manufacturing companies listed on the IDX in the 2019-2021 period as the population. The purposive sampling technique was used for sampling with the following criteria: (1) Companies that disclose CSR in their annual reports for the 2019-2021period, (2) Companies that publish financial reports in rupiah, and (3) Companies that present complete data related to research variables in the 2019-2021 period. The data used in this study is secondary data obtained from the annual report, which is downloaded on the official IDX website and the company's official website.

The dependent variable of this study is CSR disclosure, which is the provision of non-financial and financial information related to the company's interaction with its environment disclosed in the annual report (Crowther, 2008; Widyasari *et al.*, 2019). This research uses the GRI Standards, which update the GRI G4 (Global Reporting Initiative, 2022; Vacca *et al.*, 2020). GRI Standards were builtin 2016 and updated several years later. In 2018, indicators were added on environmental and socialtopics; in 2019, indicators were added on economic topics (Global Reporting Initiative, 2022; Global Sustainability Standards Board, 2016, 2018, 2019). Thus, there are 148 CSR disclosure indicators consisting of generaldisclosures (56 indicators), management approach (3 indicators), economic topics (17 indicators),environmental topics (32 indicators), and social topics (40 indicators) (Global Sustainability Standards Board, 2016, 2018, 2019). CSR disclosure (CSRD) is measured by dividing the number of CSR indicators disclosed bythe company by the number of CSR disclosure indicators (Haniffa and Cooke, 2005; Widyasari *et al.*, 2019). The indicators disclosed by the company are given a value of 1 (one) if the indicators aredisclosed and 0 (zero) if not. The number of CSR disclosure indicators in this study is 148 indicators.

The independent variables of this study are the Corporate Life Cycle (CLC) in the mature phase, the size of the board of commissioners, the size of the board of directors, and gender diversity. CLCin the mature phase (MATURE) is measured using a cash flow pattern by grouping positive operatingcash flows, negative investment cash flows, and negative financing cash flows

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(Dickinson, 2011; Esqueda and O'Connor, 2020; Hasan and Habib, 2017; Widyasari *et al.*, 2019). Companies in the maturephase are given a value of 1, while non-mature companies are given 0. The cash flow pattern describesdifferences in profitability, growth, and risk of a company so that company conditions can be groupedinto 5 phases, one of which is the mature phase (Dickinson, 2011; Habib and Hasan, 2019). The maturephase has positive operating cash flow, negative investment cash flow, and negative funding cash flow, which illustrates that the company gets more cash inflow, invests more, and tends to pay significant dividends because it has more assets than other phases. It also has stable cash flow and profitability (Esqueda and O'Connor, 2020; Habib and Hasan, 2019).

Furthermore, the size of the board of commissioners (DK), which is part of the company taskedwith carrying out supervision, is measured using the number of commissioners in the company (Widyasari *et al.*, 2019). The size of the board of directors (DD) is a part of the company whose position is crucial, especially in operating the company and making decisions, and this variable is measured using the number of board members in the company (Rouf and Hossan, 2021; Widyasari *et al.*, 2019). Finally, gender diversity (Women_num), especially gender diversity on the board of directors, is measured using the following formula (Issa and Fang, 2019):

$$Blau\ Index\ (B_i) = 1 - \sum_{i=1}^{n} P_i^2$$

(Pi = percentage of male/female directors, n = Total categories used. Index = 0.5 if the proportion of female and male directors is the same, and Index = 0 if only women or men occupy all directors).

This research uses control variables in the form of company size, profitability, slack, market-to-book ratio, research and development, and company age. Control variables are used so that other variables that are not studied do not impact the influence of the independent variable on the dependent variable. Besides that, it can increase the value of the coefficient of determination so that the independent variable can provide almost all the information to explain variations in the dependent variable (Ghozali, 2018; Sugiyono, 2017; Wulandari and Pangestuti, 2018). Company size (SIZE) is measured by the natural logarithm of total assets (Hasan and Habib, 2017; Widyasari *et al.*, 2019). Total assets are used because they are directly proportional to the size of the company, which is thensimplified using the Natural Logarithm (Ln) to maintain the proportion of the actual number of assets (Mahfullah and Handayani, 2022; Tingginehe and Kusumadewi, 2022). Profitability (PM) is measured by dividing operating income by total assets, and it is hoped that the large profitability ratio using thismeasurement can be positively related to CSR implementation and disclosure (Hasan and Habib, 2017; Widyasari *et al.*, 2019). Slack is measured by adding up cash and short-term investments and then dividing by total assets, and it is hoped that the large amount of slack in the company will have an impact on the broader implementation and disclosure of CSR (Hasan and Habib, 2017; Widyasari *et al.*, 2019). The market-to-book ratio (MTB) is measured by dividing the market value of equity by the book value of equity (Hasan and Habib, 2017; Widyasari *et al.*, 2019). The higher the MTB, the higher the company value, meaning that the company has good performance to implement and express CSR more widely (Fidhayatin and Dewi, 2012; Hartono and Yuliyanti, 2018). Research and development (RnD) is measured by dividing RnD expense by total assets, and it is

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hoped that this canbe essential in CSR implementation and disclosure (Hasan and Habib, 2017; Widyasari *et al*., 2019). Furthermore, related to company age, companies that have been listed on the IDX for a long time areexpected to have more ability to see opportunities and obstacles in implementing and disclosing CSR (Hasan and Habib, 2017). The company age is measured using the following formula (Hasan and Habib, 2017; Widyasari *et al*., 2019) :

(AGE) = Ln (1 + Age since it was first listed in IDX)

This research uses multiple linear regression analysis techniques with SPSS 25. Multiple linear regression analysis is used to test the feasibility of the regression equation and find out the direction and how much influence the independent variable has on the dependent variable (Ghozali, 2018; Kalsum, 2021). This technique is suitable when applied to this research to achieve the objectives of carrying out this research. The multiple linear regression analysis techniques have proven to be reliable and have been used in several studies by Wahyudi and Lydina (2023), Immanuel (2021), Suhendi *et al.* (2022), and Rachmad and Yusmita (2023). The multiple linear regression equation in this research is as follows:

$$CSRD = \beta 0 + \beta 1\ MATURE + \beta 2\ DK + \beta 3\ DD + \beta 4\ Women\_num + \beta 5\ SIZE + \beta 6\ PM + \beta 7\ SLACK + \beta 8\ MTB + \beta 9\ RnD + \beta 10\ AGE + e$$

3. RESULTS AND DISCUSSION

3.1. Research Sample

Based on **Table 1**, 426 data meet the sampling criteria. However, there were 74 outlier data, so 352 were obtained as research samples.

Table 1. Sampling criteria

No	Criteria	Year 2019	Year 2020	Year 2021	Total Sample
1	Manufacturing companies listed on the IDX in the 2019-2021 period	180	180	180	540
2	Manufacturing companies that do not disclose their CSR in annual reports for the 2019-2021 period	(5)	(7)	(10)	(22)
3	Manufacturing companies that do not publish financial reports in rupiah	(31)	(31)	(30)	(92)
4	Manufacturing companies that do not present complete data related to research variables in the 2019-2021 period	(0)	(0)	(0)	(0)
Total Sample		144	142	140	426
Outlier Data					(74)
Total of Research Sample					352

Source: Processed Secondary Data (2023)

3.2. Descriptive Statistical Analysis

Based on **Table 2**, the CSRD variable has a mean of 0.3551328, meaning that the average CSR disclosure is 35.5% of the 148 GRI Standards indicators. The median is 0.3445946 and is smaller than the mean, meaning that most CSR disclosures are low. The standard deviation is 0.07269448 and is smaller than the mean, indicating that the data is spread evenly. The minimum value of 0.18919 belongs to PT Pelangi Indah Canindo Tbk in 2020, and the maximum value of 0.60135 belongs to PT Unilever Indonesia Tbk in 2021.

The Mature variable has a mean of 0.52, meaning that 52% of the 352 samples are in the mature phase, so there are 183 research samples in the mature phase. A median of 1 and more significant than the mean indicates that most of the samples are in the mature phase. The standard deviation of 0.5, smaller than the mean, means the data is spread evenly. A minimum value of 0 is owned by 169 research samples, one of which is PT Indofood CBP Sukses Makmur Tbk in 2020, which indicates the company is in a phase other than mature. A maximum value of 1 is owned by 183 research samples, one of which is PT Sariguna Primatirta Tbk in 2020, indicating the company is in the mature phase.

The DK variable has a mean of 3.83, meaning that the average number of commissioners is three people. This amount complies with the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies Article 20 paragraph 1, which stipulates that the Board of Commissioners consists of at least two members of the Board of Commissioners. A median of 3 and less than the mean indicates that most commissioners are ≤ 3. The standard deviation of 1.662, less than the mean, indicates that the data is evenly distributed. A minimum value of 2 is owned by 68 samples, one of which is PT Betonjaya Manunggal in 2019, and PT Astra International Tbk has a maximum value of 10 in 2020 and 2021.

Table 2. Descriptive statistic

Variable	N	Mean	Median	St. Dev	Min	Max
CSRD	352	0,3551328	0,3445946	0,07269448	0,18919	0,60135
MATURE	352	0,52	1,00	0,500	0	1
DK	352	3,83	3,00	1,662	2	10
DD	352	4,51	4,00	2,188	2	13
Women_num	352	0,1858866	0,0000000	0,20650246	0,00000	0,50000
SIZE	352	28,2261479	27,9712989	1,57963413	25,04885	33,53723
PM	352	0,0601770	0,0570501	0,12400856	-0,94813	0,79555
SLACK	352	0,1037516	0,0421217	0,13610183	0,00028	0,85714
MTB	352	3,1898911	1,2142698	7,75381384	-5,00579	60,67179
RnD	352	0,0015600	0,0000000	0,01105313	0,00000	0,11989
AGE	352	2,4918074	3,0445224	1,05823672	0,00000	3,76120

Source: Processed Secondary Data (2023)

The DD variable has a mean value of 4.51, meaning that the average number of directors is four people. This amount complies with the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies Article 2 paragraph 1, which stipulates that the Directors of Issuers

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or Public Companies consist of at least two members of the Board of Directors. The median is four and less than the mean, meaning that most directors are ≤ 4. The standard deviation is 2.188 and less than the mean, indicating that the data is evenly distributed. A minimum value of 2 is owned by 49 samples, one of which is PT Berlina Tbk in 2019, and a maximum value of 13 is owned by PT Unilever Indonesia Tbk in 2019.

The Women_num variable has a mean value of 0.1858866, meaning that men still dominate the position of directors. A median of 0 and less than the mean indicates that most director positions are occupied by men only. This is because more research samples have a Women_num value of 0. Women_num 0 is owned by 187 samples, where three are in director positions occupied by women only, and the remaining 184 are occupied by men only. The standard deviation is 0.20650246, and more significant than the mean means that the data is spread less evenly. A minimum value of 0 is owned by 187 samples, one of which is PT Mayora Indah Tbk in 2019, and a maximum value of 0.5 is owned by 20 samples, one of which is PT Multi Bintang Indonesia Tbk in 2019.

3.3. Classical Assumption Test

3.3.1. Normality test

Based on **Table 3**, an initial normality test was carried out on 426 data, and a significance value of 0.000 (0.000 <0.05) was obtained, which indicated that the residuals were not normally distributed. Therefore, to make the data normal, it is necessary to eliminate outlier data. Outliers are extreme values that differ from the others (Ghozali, 2018). The final normality test results after eliminating outlier data are presented in the following table:

Table 3. Initial normality test result

One-Sample Kolmogorov-Smirnov Test	
N	426
Asymp. Sig. (2-tailed)	0,000[c]

Source: Secondary Data (2023)

Based on **Table 4**, a significance value of 0.089 (0.089 > 0.05) is obtained, which means this study meets the normality assumption.

Table 4. Final normality test result

One-Sample Kolmogorov-Smirnov Test	
N	352
Asymp. Sig. (2-tailed)	0,089[c]

Source: Secondary Data (2023)

3.3.2. Multicollinearity test

Based on **Table 5**, all independent variables have a tolerance value > 0.10 with VIF < 10, which means there is no multicollinearity in this study.

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Table 5. Multicollinearity test result

	Tolerance	VIF
MATURE	0,863	1,159
DK	0,513	1,951
DD	0,496	2,015
Women_num	0,919	1,088
SIZE	0,413	2,423
PM	0,752	1,330
SLACK	0,919	1,088
MTB	0,626	1,597
RnD	0,577	1,733
AGE	0,768	1,302

Source: Secondary Data (2023)

3.3.3. Heteroscedasticity test

Based on **Table 6**, all independent variables have a significance value of more than 0.05 (> 0.05),so it can be concluded that this study did not occur heteroscedasticity.

Table 6. Heteroscedasticity test result

	Sig.
MATURE	0,187
DK	0,148
DD	0,574
Women_num	0,707
SIZE	0,095
PM	0,113
SLACK	0,641
MTB	0,366
RnD	0,172
AGE	0,442

Source: Secondary Data (2023)

3.3.4. Autocorrelation test

Based on **Table 7**, the Durbin-Watson value in this study is 1.952, which is between du and 4 –du, so it can be concluded that this research is free of autocorrelation.

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Table 7. Autocorrelation test result

Summary of the Model[b]	
Durbin-Watson	1,952

Source: Secondary Data (2023)

3.3.5. Results of multiple linear regression analysis

After testing the classical assumptions and fulfilling all the classical assumptions, a multiple linear regression analysis was performed using SPSS 25 with the following output (see **Table 8**):

Table 8. Results of multiple linear regression analysis (F test, coefficient of determination, and t-test)

Variable	Unstandardized Coefficients (B)	Sig.	Hypothesis Decision (Influence)
(Constant)	-0,089	0,268	
MATURE	0,016	0,023	Accepted (Significant Positive)
DK	0,004	0,119	Rejected (Positive Not Significant)
DD	0,004	0,039	Accepted (Significant Positive)
Women_num	-0,005	0,776	Rejected (Not Significant Negative)
SIZE	0,014	0,000	(Significant Positive)
PM	0,039	0,194	(Positive Not Significant)
SLACK	0,075	0,003	(Significant Positive)
MTB	0,001	0,071	(Positive Not Significant)
RnD	0,259	0,497	(Positive Not Significant)
AGE	0,001	0,840	(Positive Not Significant)
Sig. F	0,000[b]		
Adjusted R^2	0,318		

Source: Secondary Data (2023)

Based on **Table 8**, the regression equation is obtained as follows:

CSRD = -0,089 + 0,016 MATURE + 0,004 DK + 0,004 DD - 0,005 Women_num + 0,014 SIZE + 0,039 PM + 0,075 SLACK + 0,001 MTB + 0,259 RnD + 0,001 AGE + e

This research has a significance F value of 0.000 (0.000 < 0.05), which means that the independent variables in this research (MATURE, DK, DD, Women_num, SIZE, PM, SLACK, MTB, RnD, and AGE) simultaneously influence the dependent variable (CSRD). The coefficient of

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determination (adjusted R2) in this study was 0.318, which shows that the variables of MATURE, DK, DD, Women_num, SIZE, PM, SLACK, MTB, RnD, and AGE can explain the variation in the CSRD variable by 31.8%, and the rest 68.2% is explained by other variables that are not in this study. In the t-test, the MATURE and DD variables have a significant positive effect on CSR disclosure, as seen from the positive regression coefficient value with a significance of less than 0.05. The DK variable has a positive and insignificant effect because the regression coefficient is positive but the significance is more than 0.05. Meanwhile, the Women_num variable has a negative and insignificant effect because the regression coefficient is negative and the significance is more than 0.05.

3.4. The Effect of Corporate Life Cycle (CLC) in Mature Phase on CSR Disclosure

Based on the results of hypothesis testing using the t-test, the CLC in the mature phase has a significant positive effect on CSR disclosure. The results of this research are in line with research by Mulianty and Safrianyah (2019) and Widyasari *et al*. (2019) that there is a significant positive influence and supports the legitimacy theory. It means there is a positive influence between CLC in the mature phase on CSR disclosure because companies that are in the mature phase will try to maintain their existence by carrying out CSR activities so that they can gain legitimacy, and these activities are reflected in the annual report (Dowling and Pfeffer, 1975; Ratmono and Sagala, 2015; Widyasari *et al*., 2019). The results of this research are not in line with research by Lee and Choi (2018), which proves that there is an insignificant positive influence on CSR disclosure between CLC in the mature phase.

The CLC in the mature phase is the phase where the company is at its highest and stable point, which is characterized by positive operational cash flow, negative investment cash flow, and negative funding cash flow (Dickinson, 2011; Esqueda and O'Connor, 2020; Rasyad and Husnan, 2019). In connection with legitimacy theory, CLC in the mature phase has a significant positive effect on CSR disclosure, allegedly because companies in this phase will increasingly maximize their involvement in CSR, which is disclosed in the annual report, considering that the company has significant income so that it can be allocated to these activities to gain legitimacy and can maintain its position in this stable phase. Habib and Hasan (2019) stated that significant resources are needed for CSR activities, so a company with abundant financial resources will significantly impact CSR activities. The company has positive operating cash flow, meaning that cash income from operating activities exceeds its expenditure. This indicates that the company has significant resources, and considering that the company's position is stable, these resources can be allocated to CSR activities disclosed in the annual report.

Furthermore, the company has negative investment cash flow, meaning that the investment made is more significant than the proceeds from the sale of the investment. In this phase, the company already has a customer base, so the company's priority is to survive. Companies can invest in CSR as a new strategy to build a good company reputation, which can be a company advantage that is different from other companies. CSR is a long-term strategy for a company to maintain its existence, but the results or impacts can be felt in the short term (Kartika, 2021). Thus, investing in CSR is a profitable choice for companies. Furthermore, the company has negative funding cash flow, meaning that it is trying to pay off debt, reduce debt, and distribute dividends to shareholders because it has large enough resources to allocate these funds to company obligations that have not been paid previously. Based on **Table 2**, of the 352 research

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samples, there are 52%, or 183 samples, are in the mature phase with CSR disclosures, which tends to be higher than research samples that are in phases other than mature, so this analysis supports that the research samples are at the mature phase will increasingly maximize its involvement in CSR as revealed in the annual report, thereby producing a positive and significant influence.

3.5. The Effect of Board of Commissioners' Size on CSR Disclosure

Based on the results of hypothesis testing using the t-test, the size of the board of commissioners has a positive and insignificant effect on CSR disclosure. The results of this research are in line with research by Fahmi (2019) and Siswanto and Daniswara (2022) that the positive influence is not significant and is not by the predictions of legitimacy theory, which should have a significant positive influence because a large number of commissioners, the number of commissioners in carrying out their supervisory duties will be implemented effectively so that the implementation of corporate governance, one of which is CSR, which is disclosed in the annual report, runs well to maintain its existence, increase company value, obtain approval for good corporate citizenship, and gain legitimacy (Dowling and Pfeffer, 1975; Kartika *et al*., 2022; Komite Nasional Kebijakan Governance, 2006; Ratmono and Sagala, 2015; Widyasari *et al*., 2019). The results of this research are not in line with research by Widyasari *et al*. (2019) and Yanti *et al*. (2021) that there is a significant positive influence between the size of the board of commissioners on CSR disclosure.

The Board of Commissioners is part of the company which has the function of supervising and providing advice to the directors, who, in carrying out their duties, need to pay attention to the number of members of the Board of Commissioners so that it adapts to the company's needs and supervisory activities can run effectively (Komite Nasional Kebijakan Governance, 2006). Thus, corporate governance can be implemented well, and impact reporting that is presented transparently (Kartika *et al*., 2023). The size of the Board of Commissioners has an insignificant positive effect, presumably because CSR is not the main focus of the Board of Commissioners, and the Board of Commissioners prioritizes monitoring the company's financial performance. This is thought to be because the period in this research sample was during the pandemic, which caused company profitability to tend to be low, and based on Table 2, the median profitability (0.0570501) is smaller than the mean profitability (0.0601770), meaning that the company's profitability tends to be low. According to Rivandi and Putra (2019) the board of commissioners will focus more on the company's operational activities, which provide more benefits than the company's social activities, while CSR disclosure has been delegated to the audit committee. The audit committee is a committee that is responsible to the board of commissioners regarding the reliability of the company's financial reporting, including disclosure of CSR information. In addition, the Board of Commissioners is not directly involved in decision- making related to CSR activities and its disclosures, so the board of commissioners does not make a significant contribution to CSR and its disclosures. This analysis supports that the large number of members of the board of commissioners does not guarantee maximum CSR implementation as revealed in the annual report because the influence is not significant.

3.6. The Effect of Board of Directors' Size on CSR Disclosure

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Based on the results of hypothesis testing using the t-test, the size of the board of directors has a significant positive effect on CSR disclosure. The results of this research align with Ramadhani and Maresti (2021) and Kinsey and Santoso (2021) that there is a significant positive influence and supports legitimacy theory. It means there is a significant positive influence between the size of the board of directors on CSR disclosure because with a large number of board members, the planning task, implementation, and disclosure of CSR can run well, and this indicates that the company has made efforts to gain legitimacy and maintain its existence in this industry (Dowling and Pfeffer, 1975; Komite Nasional Kebijakan Governance, 2006; Ramadhani and Maresti, 2021). The results of this research are not in line with research by Rouf and Hossan (2021), who found an insignificant positive influence between the size of the board of directors and CSR disclosure.

The board of directors is tasked with running and operating the company, and one of its duties is corporate social responsibility or CSR. If the CSR planning is prepared clearly and carefully, then its implementation is fulfilled, which means the directors have carried out their duties well to maintain the company's existence. In carrying out their duties, directors need to pay attention to the number of members of the board of directors so that it is to the company's needs and the smooth implementation of their duties (Komite Nasional Kebijakan Governance, 2006). In connection with legitimacy theory, the size of the board of directors has a significant positive effect on CSR disclosure, allegedly because the greater the number of directors, the more optimal CSR implementation and disclosure in the annual report will be. This is because, with more board members in the company, there will be more and more ideas for planning, implementing, and disclosing CSR so that the company will gain legitimacy and improve its reputation in society. Based on **Table 2**, the average number of board members from the 352 research samples is 4.51 (4 people), and the more significant number of board members tends to reveal more CSR than those with only a few board members, so this analysis supports that the greater the number of members of the board of directors, the maximum the implementation of CSR and its disclosure in the annual report will be.

3.7. The Effect of Gender Diversity on CSR Disclosure

Based on the results of hypothesis testing using the t-test, gender diversity has an insignificant negative effect on CSR disclosure. The results of this research are in line with research by Azzahra *et al.* (2022) that the negative influence is not significant and is not by the predictions of legitimacy theory, which should have a significant positive influence on gender diversity on CSR disclosure because one of the things that are the responsibility of directors is planning, implementing and disclosing CSR. Women tend to be more concerned about the environment and social issues related to CSR. When women occupy board of directors' positions, they will play an essential role in CSR activities disclosed in the annual report, thereby making the company gain legitimacy and maintain its survival (Dowling and Pfeffer, 1975; Gaio and Gonçalves, 2022; Komite Nasional Kebijakan Governance, 2006; Ratmono and Sagala, 2015; Tasya and Cheisviyanny, 2019). The results of this research are not in line with research by Rouf and Hossan (2021) and Gaio and Gonçalves (2022) that there is a significant positive influence between gender diversity in terms of CSR disclosure.

Gender diversity is a concept that sees differences between men and women from a non-biological point of view, such as social, cultural, and behavioral aspects, and women who are in

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positions of directors are considered to be more responsive and concerned about the environment and social, and in taking decisions are considered to be more careful in considering something (Croson and Gneezy, 2009; Eagly and Johannesen-Schmidt, 2003; Mutmainah, 2007; Tasya and Cheisviyanny, 2019). However, in this study, gender diversity in directors has no significant negative effect or does not influence CSR disclosure, this is presumably because the number of women who occupy director positions is not significant. Men still dominate director positions in companies in Indonesia. Konrad *et al.* (2008), Torchia *et al.* (2011), and Manita *et al.* (2018) suggest that women in director positions can have a significant influence on decision-making concerning CSR depending on the number of women in that position. There are at least three women on the board of directors so that their ideas or opinions are more likely to be heard and taken into account so that they can make a significant impact in a positive direction on decision-making related to CSR. Based on **Table 2**, gender diversity in directors is 0 to 0.5, with a median of 0. This shows that men still dominate the position of directors; because of the 352 research samples, there were 187 samples with a Blau Index value of 0, where three were in the directors' positions and were only occupied by women. The remaining 184 samples in the directors' positions were only occupied by men. The remaining 165 samples (352 samples - 187 samples = 165 samples) had directors, with the percentage of women and men being the same and some being different. Among the 165 samples, there were only 12 research samples, with three women or more who hold the director position. In addition, the average female position on the board of directors in the 352 research samples was only 15.6%, and men occupied the remaining 84.4%. This means that most directors' positions are still dominated by men and women's limited role in CSR decisions. Thus, this analysis supports the idea that gender diversity of directors has no significant effect on CSR disclosure.

4. CONCLUSION

This study proved that CLC in the mature phase and the size of the board of directors have a significant positive effect on CSR disclosure. Companies in the mature phase are stable and have more abundant resources, so they will increasingly maximize their involvement in implementing and disclosing CSR. In addition, companies with many board members will produce increasingly diverse ideas related to CSR, thereby maximizing CSR implementation and disclosure in the annual report. However, the size of the board of commissioners and gender diversity have an insignificant influence because commissioners focus more on financial performance, considering that the period of this research was during a pandemic, which caused company profitability to tend to be low so this is thought to be the focus of commissioners. Furthermore, the directors' positions are still dominated by men, so the role of women is restricted in making decisions regarding CSR.

This research has several limitations. The population was still limited to manufacturing companies listed on the IDX for the 2019-2021, and the ability of the independent variable to influence the dependent variable is only 31.8%. Thus, future researchers need to expand the research population, such as energy sector companies, because it contributed to the most significant greenhouse gas emissions in 2019 and has continued to increase since 2013 (Kementerian Lingkungan Hidup dan Kehutanan *et al.*, 2021). On the other hand, emissions are a specific topic in CSR disclosure indicators based on GRI Standards and are a concern in the G20 Presidency about climate change and sustainable environmental management (Badan Kebijakan

Fiskal, 2021; Global Sustainability Standards Board, 2016). Besides, future researchers can also add the audit committee's variable, considering that they are tasked with supervising financial reporting, including disclosing CSR information.

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