

## Analysis Of The Effect Of Company Size, Profitability And Leverage On Corporate Social Responsibility Disclosure

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### Abstract

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This study aims to examine the effect of Company Size, Profitability and Leverage on Disclosure of Corporate Social Responsibility. Corporate social responsibility is an inherent responsibility of every investment company to continue to create relationships that are harmonious, balanced and in accordance with the environment, values, norms and culture of the local community. Disclosure Corporate social responsibility is an organizational responsibility for the impact of all decisions and activities on society and the environment which is manifested in the form of transparent and ethical behavior that is in line with the principles of sustainable development. The population in this study are banking companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period. The sample in this research was 26 out of 46 companies that met the criteria so that the total sample used in this study during the 2017-2020 period was 104 observational data. The research design used was quantitative research and the sampling method used in this study was purposive sampling method. The data used in this research is secondary data. The data analysis method used in this study is multiple linear regression analysis with the help of the SPSS Version 25 application program. The results of the analysis show that (i) company size has a positive and significant effect on corporate social responsibility disclosure, (ii) profitability has a positive and significant effect on disclosure of corporate social responsibility (iii) leverage has a positive and significant effect on disclosure of corporate social responsibility.

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## INTRODUCTION

Based on Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies, one of the obligations of companies whose activities have an impact on natural resources is to implement CSR programs and is contained in financial statements. However, CSR programs are not fully known whether they have actually been carried out by the company or not yet (Pasaribu et al., 2021).

Financial Services Authority Regulation Number 29/POJK.04/2016 concerning Annual Report of Issuers or Public Companies states that the annual report is not only a report on the

accountability of the Board of Directors and the Board of Commissioners in managing and supervising Issuers or Public Companies to the GMS, but also as a source of important information for investors or shareholders including foreign investors or shareholders in making investment decisions and means of supervision As well as being a source of information for regulators in conducting supervision in an effort to protect the interests of investors or shareholders. Corporate social responsibility is considered as the company's awareness that there is a potential for adverse impacts from business activities that must be reduced so as not to endanger the safety of the community (Rofiqkoh & Priyadi, 2016).

The Government of Indonesia has designated the Corona Virus (Covid-19) outbreak as a national disaster. In addition to impacting society, the Covid-19 pandemic has also directly had a negative impact on the global economy. This is shown by the number of companies trying to get out of the financial crisis due to the Covid-19 pandemic (Kucharska & Kowalczyk, 2019). According to the Fiscal Policy Agency of the Ministry of Finance, the lockdown caused many companies to close their businesses and go bankrupt, which had an impact on reducing the number of workers and massive layoffs in sectors affected by the pandemic. The global pandemic is one of the environmental changes that has the potential to have a major influence on the implementation of CSR which is the obligation of every company (Ghosh, 2020).

According to (Popkova et al., 2021) The protracted Covid-19 pandemic will create vulnerability for companies in making decisions regarding management plans related to CSR positively and negatively. This encourages companies to review the company's business model and activities to continue or delay their operational performance. Ghosh (2020) stated that during the Covid-19 pandemic, companies will be faced with dilemmatic decisions regarding CSR implementation, namely reducing the CSR implementation budget or increasing CSR activities in the community. The Indonesia Stock Exchange (IDX) announced that there were 25 companies that were late in submitting financial statements ending June 2020 due to the impact of the Covid-19 pandemic, where one of these companies was Bank Sinarmas Tbk. This is a concern whether the banking company continues to implement its CSR or not during the pandemic. Therefore, the author is interested in conducting research on the disclosure of social responsibility of banking companies in Indonesia.

The level of performance of a company can be assessed through the financial statements published, so financial statements have an important role, especially for companies that have gone public. Financial statements are a means used to communicate financial information of a company to parties outside the company (Sapariyah & Wahyudi, 2020).

Large-scale companies tend to find it easier to disclose social responsibility because large companies earn higher sales results compared to small companies (Kurniati, 2017). Company size is one of the variables predicted to affect CSR disclosure.

Disclosure of corporate social responsibility is also influenced by good company performance, where one of the company's performance appraisal tools is the profitability ratio. Profitability is the company's ability to earn profits at the level of asset and equity sales. High profit as a result of consumer satisfaction with the products produced by the company. The company's ability to generate profits will certainly attract investors to invest in their company. So profitability becomes an important consideration for investors in their investment decisions (Issa, 2017). High-performing companies tend to pay less attention to social responsibility disclosures as companies become less sensitive to investors' negative reactions to environmental risks (Dharmawan Krisna & Suhardianto, 2016).

Variable *Leverage* Also used in this study, where *Leverage* is a tool to measure how much a company depends on creditors in financing company assets. Getting smaller *Leverage* A company, the audit time required will be shorter because it does not require much testing, the

company will be better, but vice versa if it is higher *Leverage* Then the longer the audit completion time required (Sapariyah & Wahyudi, 2020).

Several studies were conducted to examine the effect of firm size, profitability and *Leverage* Against social responsibility disclosure showed different results. In a study, results were obtained if the size of the company did not have an influence on disclosure *Corporate Social Responsibility* (Okrayanti et al., 2017). Meanwhile, in another study, it was found that the variable size of the company has a positive and significant influence on corporate social responsibility disclosure. The significant relationship between the variable size of the company and the disclosure of corporate social responsibility towards a positive coefficient shows that the size of the company will affect the disclosure of corporate social responsibility carried out by the company. The greater the assets owned by the company, the company cannot be separated from the demands to have good performance (Rofiqkoh & Priyadi, 2016).

In one study, it is stated that profitability has a significant effect on corporate social responsibility disclosure (Nanda & Rismayani, 2019). While other studies state profitability does not affect corporate social responsibility disclosure (Dharmawan Krisna & Suhardianto, 2016).

In one study stated *Leverage* Significant effect on disclosure *Corporate Social Responsibility* (Herawati Limbong, 2019), while other studies state *Leverage* has no significant effect on disclosure *Corporate Social Responsibility* (Atang Hermawan, 2019).

## LITERATURE REVIEW

### *Legitimacy Theory*

According to Dowling & Pfeffer (1975), legitimacy is defined as a condition or status in which an entity or company has a value system that is congruent and indicates that this social system becomes a larger part within the scope of the value system itself. Where there is an actual or potential disparity that exists between the two value systems, this can then be said to be a threat to the legitimacy of an entity.

"*Legitimacy theory is the tool that manages the stakeholders' perceptions of the needs for attaining the organizational legitimacy. Thus, legitimacy offers to an organization the right to perform its activities in consensus with stakeholders' interests*". Legitimacy theory is a tool that manages stakeholders' perceptions of the need to achieve organizational legitimacy. Thus, legitimacy offers the organization the right to conduct its activities in consensus with the interests of stakeholders (Suchman, 1995).

This theory shows that an entity or company does not stand alone, where the scope of an entity is limited or surrounded by external parties who have no interests or rights in an entity commonly called society. In carrying out operational activities all forms of values, norms and regulations must be an absolute requirement to be implemented and ensured that an entity is able to comply with the limits of norms and rules in operating in order to obtain legitimate legitimacy from the community, so that it does not have an impact as a form of threat to the survival of the company itself (Permatasari et al., 2019). In the book *Analysing the State of Sector-Specific CSR Reporting: Evidence From Pakistan, "Legitimacy Theory is A theoretical stance that predicts companies' behaviour towards managing and maintaining the perspectives of key stakeholders though company disclosure"*, Where legitimacy theory is defined as a theoretical attitude that predicts company behavior in managing and maintaining the perspective of key stakeholders through company disclosure (Khan, 2021).

Legitimacy theory is a theory that explains the interaction between companies and society. Legitimacy theory asserts that firms must make efforts to ensure that their activities are

acceptable or legitimized by outsiders by operating within the framework and norms that exist in the society or environment in which the company is located (Badjuri et al., 2021).

The theory of legitimacy is the theory underlying the disclosure of Corporate Social Responsibility. In theory, legitimacy has a social contract between the company and society. In general, this theory can be used as a view to the community in expressing corporate social practices. The company will certainly try to gain legitimacy from the community by implementing company programs that are in accordance with the needs of the community, because the company must carry out and disclose Corporate Social Responsibility activities so that the company's activities are accepted by the community (Lestariwati et al., 2020).

### **Stakeholder Theory**

Freeman & Reed (1983) argues that a stakeholder is a person or group of people who are influenced and influence the company's processes in achieving its goals. *"Stakeholder theory suggests that if we adopt as a unit of analysis, the relationships between a business and the groups and individuals who can affect or are affected by it, then we have a better chance to deal with these three problems,"* Stakeholder theory suggests that if we adopt relationships as a unit of analysis between businesses and groups and individuals who can influence or be influenced by them, then we have a better chance of addressing these three issues: (Parmar et al., 2010).

According to Deegan (2000) argues that theory stakeholders emphasize organizational accountability far beyond simple financial or economic performance. This theory states that organizations will choose to voluntarily disclose information about their environmental, social and intellectual performance, over and above their mandatory requests, in order to meet actual expectations or those recognized by stakeholders. Stakeholder theory has ethical (moral) and managerial fields. The field of ethics argues that all stakeholders have the right to be treated fairly by the organization, and managers must manage the organization for the benefit of all stakeholders. Stakeholder theory assumes that the existence of the company requires stakeholder support, so that the company's activities also consider the approval of stakeholders. The stronger the stakeholders, the more the company must adapt to stakeholders. Social and environmental disclosure is then seen as a dialogue between companies and stakeholders (Bags, 2017).

The Stanford Research Institute (SRI) introduced the term *"stake holder"* i.e. refers to *"those groups without whose support the organization would cease to exist"* which can be interpreted as a group of groups without their support an organization would lose its existence (Lestari, 2016). The company is not only responsible to the owners (shareholders) with limited economic indicators (*economic focused*), but shifted to be broader, namely to the social realm of society (stakeholders). The company takes into account social factors (*social dimentions*), So the term social responsibility emerged (*social 6 responsibility*). Stakeholders will make control for the company in order to evaluate the company's activities. The company's awareness of the importance of stakeholder existence will make the company always innovate and evaluate, so that the company can develop. *Stakeholder Theory* One of the strategies to maintain relationships with company stakeholders to implement CSR, CSR willingness is expected to be accommodated so that it will produce harmonious relationships between the company and stakeholders. A harmonious relationship will result in the company being able to achieve sustainability or *sustainability* (Lestari, 2016).

## Corporate Social Responsibility

According to a world organization, the World Business Council for Sustainable Development (WBCD) states that CSR is an ongoing commitment by businesses to act ethically and contribute to the economic development of local communities and the wider community, along with improving the standard of living of its workers and entire families (Rudito & Famiola, 2019).

*"Corporate social responsibility, or CSR, is a form of self-regulation that reflects a business's accountability and commitment to contributing to the well-being of communities and society through various environmental and social measures"*. This means that corporate social responsibility or CSR is a form of self-regulation that reflects the accountability and commitment of businesses to contribute to the welfare of the community and society through various environmental and social actions (Camilleri, 2017). Based on Law Number 25 of 2007 concerning Capital Investment, it is explained that corporate social responsibility is the responsibility attached to every investment company to continue to create harmonious, balanced, and appropriate relationships with the environment, values, norms, and culture of the local community.

## Corporate Social Responsibility Disclosure (CSR Disclosure)

CSR Disclosure is the responsibility of an organization to the impact of all decisions and activities on society and the environment which is manifested in the form of transparent and ethical behavior in line with the principles of sustainable development (Rudito & Famiola, 2019). According to the book *Encyclopedia of Corporate Social Responsibility*, *"Corporate social responsibility (CSR) reporting refers to a company's systematic disclosure of information on its social performance. The term social performance is understood in a broad sense and refers to social, environmental, and governance issues that are typically not covered by financial performance metrics"*, defined as corporate social responsibility (CSR) reporting refers to a company's systematic disclosure of information about its social performance. The term social performance is understood in a broad sense and refers to social, environmental, and governance issues that are not usually covered in financial performance metrics (Schreck, 2013).

Social responsibility disclosure is the process of communicating the social and environmental impacts of an organization's economic activities to interested groups. Social and environmental responsibility is a sustainable commitment as an ethical form of the company and contributes to economic development, especially for the surrounding community. Corporate social responsibility disclosure is a form of corporate reporting on the social and environmental impacts of company activities (Susanto & Joshua, 2019).

## Company Size

In general, a company is a certain unit of activity that converts economic resources into more useful in the form of goods or services with the aim of obtaining profits and other purposes. The size of the company can be measured by the total assets owned by the company (Harmono, 2018). *" Firm size is measured by both market value and fundamental variables, such as total asset, book equity, and total revenue"*. From the definition on the book *Cost of Capital*, the size of the company is measured by market value and fundamental variables such as total assets, book equity and total revenue (Pratt, P Shannon & Grabowski, 2014). Company size is a widely used variable to explain the social disclosures that companies make in their annual reports. In general, large companies will disclose more information than small

companies. This is because large companies will face greater political risk than small companies (Stawati, 2020).

The size of the company refers to the size of the company, with indicators such as total assets and total sales. This is because the wealth and resources of the company are reflected in how much it sells, this can also reflect good prospects in the future as a positive signal by investors so that the value (shares) of the company is positively affected. The size of the company can be seen from the value of market capitalization, total assets, net sales, sales volume or number of employees. In this study using the total assets of a company because it can show how big the company is (Simamora & Herawaty, 2018).

### **Profitability**

Profitability ratios are a group of ratios that show the effect of a combination of liquidity, asset management, and debt on operating results (Brigham & Houston, 2018). *"Profitability is the ability of a business to earn a profit. A profit is what is left of the revenue a business generates after it pays all expenses directly related to the generation of the revenue, such as producing a product and other expenses related to the conduct of the business activities"*. From the following definition, profitability is the ability of a business to make a profit. Profit is what remains of the revenue that a business generates after paying all expenses directly related to revenue generation, such as producing products and other costs associated with carrying out business activities (Onyama, 2021).

Profitability is the company's ability to earn profits at the level of asset and equity sales. Profitability is used to assess the extent to which a company is able to make a profit at an acceptable level. High profit as a result of consumer satisfaction with the products produced by the company. The company's ability to generate profits will certainly attract investors to invest in their companies (Astuti et al., 2019).

### **Leverage**

*Leverage* shows the proportion of debt used to finance its investments, if the company does not have *Leverage* This means that the company uses 100% own capital (Sartono, 2017).

*"Leverage is simply the use of debt to replace capital in transaction"*. From the understanding in the book *Leverage-How Cheap Money Will Destroy the World*, *Leverage* is the use of debt to replace capital in transactions (Denniger, Karl & Smith, 2011). Ratio *Leverage* is a ratio that can be used to measure the extent to which a company's assets are financed with debt (Kasmir, 2014). *Leverage* is a tool to measure how much a company depends on creditors in financing company assets. In accordance with the theory of corporate stakeholders with the level of *Leverage* The high will consider the use of business results and assets to pay their obligations to debtholders rather than to finance their social responsibility activities and disclosure, so that the delivery of information needed by stakeholders is not optimal. This can lead to negative assessments from stakeholders of the company's business (Rahmayati & Pertiwi, 2018).

## **METHOD**

This research is quantitative research using a form of causality research. Causal research is research used to test whether a variable can cause changes to other variables. In this study, the sample selection technique to be used is purposive sampling, which is a limited sampling method and based on criteria set by the researcher. Therefore, a sample of 26 companies with

a research period of 4 years was obtained that had complete data to be researched in accordance with the specified criteria This research was conducted on the Indonesia Stock Exchange (IDX) by accessing the [www.idx.co.id](http://www.idx.co.id) page to obtain information disclosed in the financial statements and annual reports of Banking companies in 2017-2020.

### Research Variables and Definition of Operationalization of Variables

The dependent variable used in this study is Corporate Social Responsibility Disclosure. While the independent variables that can affect the dependent variable in this study, consist of Company Size, Profitability and *Leverage*.

Table 1. Ratio

	Article History:	Indikator (Rumus)	Article DOI :
1	How to cite	$\frac{\sum Xy_i}{n_i}$	Rasio
2	Ukuran Perusahaan (X <sub>1</sub> )	Log natural (Total Asset)	Rasio
3	Profitabilitas (X <sub>2</sub> )	$\frac{\text{Laba bersih setelah pajak}}{\text{Total asset}} \times 100\%$	Rasio
4	Leverage (X <sub>3</sub> )	$\frac{\text{Total asset}}{\frac{\text{Total Kewajiban}}{\text{Total Ekuitas}}}$	Rasio

### Data Analysis Methods

This study uses data analysis methods consisting of descriptive statistics, classical assumption tests, hypothesis tests, model feasibility tests, multiple linear regression analysis tests. This study uses multiple regression which will be processed using SPSS (Statistical Program for Social Science) software version 25, which serves to make decisions on the results of the analysis.

### Descriptive Statistical Test

According to Ghozali (2018), states that descriptive analysis describes or describes a data seen from the average value (*mean*), mode, median, standard deviation, minimum and maximum. Descriptive analysis is a statistic that describes or describes data into information that is clearer and easier to understand. Descriptive statistics provide an overview of each research variable. The analysis used is the average value (*mean*), minimum and maximum values and standard deviations. Descriptive studies are carried out to know and be able to explain the characteristics of the variables studied in a situation.

### Classical Assumption Test

Before performing multiple linear regression tests, this method requires performing classical assumption tests in order to obtain the best results (Ghozali, 2018). The classical assumption tests used in this study are normality tests, multicollinearity tests, heteroscedasticity tests and autocorrelation tests.

## Model Due Diligence

### a. R-Square Coefficient of Determination Test (R<sup>2</sup>)

The coefficient of determination test aims to measure how far the model is able to explain the variation of the dependent variable (Ghozali, 2018). The values of the coefficient of determination lie at 0 and 1. The classification of correlation coefficients is, 0 (no correlation), 0-0.49 (weak correlation), 0.50 (moderate correlation), 0.51-0.99 (strong correlation), 1.00 (perfect correlation). A small R<sup>2</sup> value means that the ability of independent variables to explain dependent variables is very limited. A value close to one means that the independent variable provides almost all the information needed to predict the variation of the dependent variable (Ghozali, 2018).

### b. Test F

Statistical test F is the accuracy of the sample regression function in estimating the actual value. If the significant value of  $F < 0.05$ , then a regression model can be used to predict the independent variable. The F statistical test also shows whether all the independent variables included in the model affect together the dependent variable. Test 44 F statistics has a significance of 0.05 (Ghozali, 2018).

The criterion for hypothesis testing in the use of F statistics is that when the significance value of  $F < 0.05$ , then the alternative hypothesis is accepted, stating that the test hypothesis is worth continuing.

The hypothesis in test F is as follows:

If  $F_{\text{counts}} > F_{\text{tabel}}$  then  $H_0$  is rejected

If  $F_{\text{counts}} < F_{\text{table}}$  then  $H_0$  is accepted

If the probability of error rate of F count is less than a certain level of significance (5% signification), then variables  $X_1$ ,  $X_2$  and  $X_3$  have an influence on the dependent variable.

## Test the hypothesis

### a. T Test

The t-test is used to test the significant degree of influence between the independent variable and the dependent variable. These testing criteria are set based on probability. If the significant level used is 5 percent, in other words if the probability of  $H_a > 0.05$  then it is declared insignificant, and if the probability of  $H_a < 0.05$  then it is declared significant (Ghozali, 2018)

### b. Multiple Linear Regression Test

Multiple linear regression analysis is used to examine the effect of two or more independent variables on the dependent variable. The independent variables in this study were company size, profitability, and leverage, while the independent variable was social responsibility disclosure (Rofiqkoh & Priyadi, 2016).

## RESULTS AND DISCUSSION

### Descriptive Statistical Test Results

Table 2. 104

	N	Minimum	Maximum	Mean	Std. Deviation
SIZE	104	28,770	34,952	31,95244	1,704928
ROA	104	,10	13,58	1,9823	2,16350
DER	104	1,594	16,079	5,68440	2,534113
CSR	104	0,88	,824	,58337	,174761
Valid N (listwise)	104				

Source : SPSS 25 Data Processing Results

Based on the results of the descriptive statistical test in the table above, it can be seen that the amount of data processed in this study is 104 data from 26 companies sampled for 4 years, consisting of Company Size (Size), Profitability (ROA), Leverage (DER) & Corporate Social Responsibility (CSR) Disclosure.

The size of the company (Size) in this study is measured by Log Natural (Total Assets). In the table above, the size of the company obtained a minimum value of 28,770 or equivalent to a total asset of IDR 3,123,345,000,000 owned by Bank Ina Perdana Tbk in 2017, meaning that the company is the smallest company among other companies. While the maximum value is 34,952 or worth with total assets of IDR 1,511,804,628,000,000 owned by Bank Rakyat Indonesia Tbk in 2020, which means that Bank Rakyat Indonesia Tbk is the largest company among other companies. The size of the company has an average value (mean) of 31.95244 or an average total asset of Rp 75,295,387,960,947, - which means that the average company sampled is a large-scale company. The standard deviation obtained is 1.704928. The average value has a higher value compared to the standard deviation, so it can be concluded that the data is well distributed.

Profitability in this study is measured using Return On Asset (ROA), which is net profit after tax divided by total assets multiplied by 100%. Based on the table above, the minimum profitability value of 0.10 owned by Bank Ganesha Tbk in 2020, means that the company has a low ability and is inefficient in obtaining profits with its capital. The lower this ratio, the greater the possibility of a company in a problematic condition. While the maximum value of 13.58 owned by Bank Tabungan Pensiunan Nasional Syariah Tbk in 2019, it can be said that the company is getting better in asset productivity to earn profits and the level of return will be even greater. The average value (mean) of Profitability is 1.9823 with a standard deviation value of 2.16350. The average value has a lower value compared to the standard deviation, so it can be concluded that the data is not well distributed. This is because the company data sampled in this study has a high distribution of data between one data and another.

*Leverage* in this study is measured by Debt to Equity Ratio (DER), which is total liabilities divided by total equity. Based on the table above, *Leverage* obtained a minimum value of 1,594 owned by Bank Ina Perdana Tbk in 2017, which means that the company has a lower level of debt than other companies. While the maximum value of 16,079 owned by Bank Tabungan Negara Tbk in 2020 means that the company has a high level of debt, which can indicate that the company's interest expense will be greater and reduce profits. *Leverage* obtained an average value (mean) of 5.684 which means that the average sample company that has debt is 5.684 times greater than the equity owned by the company with a standard deviation of 2.534. The average value has a higher value compared to the standard deviation, so it can be concluded that the data is well distributed.

The Corporate Social Responsibility (CSR) Disclosure Index is measured by the number of items disclosed by the company divided by the total disclosure items, which is 91 items. Based on the table above, the minimum value of Corporate Social Responsibility Disclosure is 0.08 or 8% owned by Bank Permata Tbk in 2018, which means that the company has the least disclosure of its social responsibility compared to other companies. While the maximum value of 0.82 or 82% owned by Bank OCBC NISP Tbk in 2018 means that the company makes the most social responsibility disclosures compared to other companies. The mean was 0.583 or 58.3%. This means that in one period in the annual report, companies have on average disclosed 58.3% of corporate social responsibility disclosures. With a standard deviation of 0.174 or 17.4%. The average value has a higher value compared to the standard deviation value, so it can be concluded that the data is well distributed.

### Classical Assumption Test Results

Table 3. No Autocorrelation occurs

Variable	Indicators (Formulas)	Measurement Scale	1	Corporate Social Responsibility Disclosure (Y)
X1	Ratio	2 VIF: 1,009	Company Size (X)	Log natural (Total Asset)
Ratio	3	Profitability (X) 2	Sig. 0,927 Tidak terjadi Heteroskedastisitas	Ratio
4	Leverage (X3)	Tolerance: 0,985 VIF: 1,015	Ratio	Tidak terjadi Autokorelasi

Source : SPSS 25 Data Processing Results

### Test Results of Coefficient of Determination (R<sup>2</sup>)

Table 4. The Coefficient of Determination

**b. Dependent Variable: CSR<sup>b</sup>**

*Model Summary<sup>b</sup>*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,897 <sup>a</sup>	,804	,798	,078536	1,839

a. Predictors: (Constant), DER, ROA, SIZE

b. Dependent Variable: CSR

Source : SPSS 25 Data Processing Results

Based on table 4. The Coefficient of Determination (R Square) above, obtained the value of R Square is 0.804 and Adjusted R-square is 0.798 or 79.8% while the remaining 20.2% (100%-79.8%) is influenced by other variables that are not studied in this study. So it can be concluded that the magnitude of the influence of Company Size (X1), Profitability (X2) and Leverage (X3) on the variable of Corporate Social Responsibility Disclosure (Y) is 0.798 or 79.8%.

**F Test Results**

Table 5. Corporate Social Responsibility Disclosure  
**b. Predictors: (Constant), DER, ROA, SIZE**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,529	3	,843	136,677	,000 <sup>b</sup>
	Minimum	Maximum	Mean	Std. Deviation		
	34,952	31,95244	1,704928			
	13,58					
	1,9823					

Source : SPSS 25 Data Processing Results

Table 5 shows that the F-count value is 136.677 with a significance value of 0.000. The significance value is lower than  $\alpha = 0.05$  ( $0.000 < 0.05$ ) which means that it can be concluded that the variables Company Size, Profitability and Leverage affect Corporate Social Responsibility Disclosure or it can be said that this multiple regression model is feasible to be used to predict Corporate Social Responsibility Disclosure variables and can be continued in research.

**T Test Results**

Table 6.  
**a. Dependent Variable: CSR**  
**2,16350**

DER	CSR	104	104	1,594	0,88	16,079	5,68440
,174 Valid N	104	,145				3,237	,002
761 (listwise)							
SIZE Variable	,010	,005		,100	2,250	,027	
	Norma	Multicolli	Heteroscedastic	DW	X1		
	lity	nearity	ity Test	Autocorr	elation		
	Test	Test		Test.			
	Sig.			1,839			
Tolerance:	Sig.	No		X2	Normal	Tolerance:	
0.992	0.846	Autocorrel			y	0.994	
	No	ation			distribut		
	heteros	occurs			ed		
	cedasti						
	city						
	occurs						

Sig. 0.927 No occurrence of heteroscedasticity

Source : SPSS 25 Data Processing Results

Based on the results of the t test table above, we can see the influence between each independent variable and the dependent variable and to find the table t value according to the t value of the statistical table at a significance of 5% or 0.05 using the formula ( $\alpha/2$ ; n-k-1 or df residual) or ( $0.05/2$ ;  $104 - 3 - 1 = 0.025 : 100 = 1.984$ ). Where "n" is the number of samples used in this study, and "k" is the number of independent variables used in this study So the df value of this study can be calculated  $df = 104 - 3 - 1 = 100$  with a significant value of 5% so that the

table t value obtained is 1.984. Based on the results of Tcalculate and Ttabel from each variable, it can be concluded as follows:

Test results (Variable X1) Company Size

The size of the company based on the results of the table above shows a significant value of  $< 0.05$  and  $t_{calculate} > t_{table}$ , namely the value of  $sig\ 0.027 < 0.05$  and  $T\ count\ 2.250 > 1.984$ , it can be concluded that the variable size of the company (size) has a positive and significant effect on the disclosure of corporate social responsibility disclosure so that  $H_1$  is accepted.

Test results (Variable X2) Profitability

Profitability based on the results of the table above shows a significant value of  $< 0.05$  and  $t_{calculate} > t_{table}$ , namely the value of  $sig\ 0.000 < 0.05$  and  $T\ calculate\ 5.872 > 1.984$ , it can be concluded that the variable profitability has a positive and significant effect on the disclosure of corporate social responsibility disclosure so that  $H_2$  is accepted.

Test results (Variable X3) Leverage

Leverage based on the results of the table above shows a significant value of  $< 0.05$  and  $t_{calculate} > t_{table}$ , namely the value of  $sig\ 0.000 < 0.05$  and  $T\ calculate\ 18.847 > 1.984$ , it can be concluded that the variable leverage has a positive and significant effect on the disclosure of corporate social responsibility disclosure so that  $H_3$  is accepted.

### Multiple Linear Regression Test Results

Table 7.

<b>,841</b>			
<b>No Autocorrelation occurs</b>			
X3	Normally distributed	Tolerance: 0.985	
	No Autocorrelation occurs	Std. Error	Beta
Model Summary	Type	R	
Std. Error of the Estimate	Durbin-Watson	1	.897a
,798	,078536	1,839	a. Predictors: (Constant), DER, ROA, SIZE
DER	,119	,006	,841

Source : SPSS 25 Data Processing Results

From table 7. Then the regression equation can be obtained as follows:

$$CSR D = \alpha + \beta_1 SIZE + \beta_2 DER + \beta_3 INST + e$$

$$CSR D = 0.471 + 0.010SIZE + 0.071ROA + 0.119DER + e$$

CSR D = Corporate Social Responsibility Disclosure

$\alpha$  = Constant

$\beta$  = Regression Coefficient

SIZE = Variable Company Size

ROA = Variable Profitability, proxy ROA

DER = Variable Leverage

e = Error term model (residual variable).

The explanation of the regression equation above is as follows:

- a. A constant value of 0.471 indicates that if the independent variables of company size, profitability and leverage are 0, then the amount of corporate social responsibility disclosure is 0.471.
- b. The regression coefficient of the company size variable (size) has a positive constant value of 0.010 or 1.0%, that is, if other variables have a fixed value and the size of the company increases by 1%, then corporate social responsibility disclosure increases by 1.0%.
- c. The regression coefficient of the profitability variable has a positive constant value of 0.071 or 7.1%, indicating that if the profitability variable increases by 1% assuming the other independent variables are constant, then the corporate social responsibility disclosure variable has increased by 7.1%.
- d. The regression coefficient of the *leverage* variable has a positive constant value of 0.119 or 11.9%, indicating that if the *leverage* variable increases by 1% assuming the other independent variables are constant, then the corporate social responsibility disclosure variable increases by 11.9%.

## Discussion

Based on the results of the analysis that has been conducted, Company Size has a positive and significant effect on Banking Corporate Social Responsibility Disclosure in 2017-2020. The results of the study are directly proportional to stakeholder theory, where it is said that if the company is large, more parties will become part of the company's stakeholders, so that the wider the reach of corporate social responsibility (Rofiqkoh & Priyadi, 2016). The results of this study prove empirical support that large companies have information than small companies so that the items that must be disclosed in financial statements including social disclosures will be more. Large companies are more of a concern for the government and society. In this case, the company sees the importance of carrying out social disclosure activities to the community and the environment. Thus, the size of a company affects the level of corporate social responsibility (CSR) disclosure activities.

Profitability with ROA measurement has a positive and significant effect on Banking Corporate Social Responsibility Disclosure in 2017-2020. In direct proportion to legitimacy theory which asserts that companies should seek legitimacy from stakeholders by revealing more about the socio-environmental impact of their profit-making activities (Dharmawan Krisna & Suhardianto, 2016). The higher the profitability of a company, the more motivated managers are to show and account for all their social programs. When the company's profit is high, it will be easier for the company to allocate the cost of disclosing its corporate social responsibility. To gain public legitimacy, the company is obliged not to forget about the public in the distribution of the company's results (profits). In other words, the company is not only focused on profit, but also cares about the environment and social (Lestariwati et al., 2020).

*Leverage* with DER measurement having a positive and significant effect on Banking Corporate Social Responsibility Disclosure in 2017-2020. There is a significant influence from *Leverage* Against corporate social responsibility disclosure is due to companies that have a level of *Leverage* The big ones will try more to increase CSR disclosure to convince investors & creditors if the capital that has been given is used properly for the company's operations and the company still maintains its CSR obligations. Companies that have a level *Leverage* High means that it relies heavily on outside loans to finance its assets. While companies that have levels *Leverage* lower, more finance its assets with its own capital. High-risk companies usually seek to reassure creditors with more detailed disclosures. This is in line with

stakeholder theory, where one of the strategies to maintain relationships with stakeholders with the company is to implement CSR so that harmonious relationships are established to achieve corporate sustainability (Lestari, 2016).

## CONCLUSION AND ADVICE

### Conclusion

Based on the results of this study, the researchers concluded that: the test results provide empirical evidence that company size has a positive and significant effect on corporate social responsibility disclosure. A path coefficient marked positive indicates that the larger the size of the company, the better the disclosure of corporate social responsibility.

Profitability measured using ROA has a positive and significant effect on corporate social responsibility disclosure. A path coefficient marked positive indicates that the higher the company's profitability, the better the disclosure of corporate social responsibility.

*Leverage* has a positive and significant effect on corporate social responsibility disclosure. A path coefficient marked positive indicates that the higher the leverage level of a company, the better corporate social responsibility disclosure.

### Suggestion

Based on the conclusions described above, eating suggestions as for suggestions that can be given regarding future research is expected to be able to present better and higher quality research results with several suggestions or inputs including:

Furthermore, it is recommended that researchers can add research variables or use research variables outside this research model in order to obtain maximum results. In addition, it is expected that further researchers will take a wider sample by expanding the research area in order to obtain more accurate research results.

It is expected that this research can be used for users of financial statements, especially managers, it is expected to further improve the disclosure of their social responsibility and be included in the company's annual report in accordance with applicable standards. And companies can understand the role and benefits of disclosing corporate social responsibility in annual reports so that companies can increase value and trust from stakeholders.

With this research, it can help to be used as a consideration in making decisions to provide investment and provide debt loans to a company, so that investors can find out which companies carry out corporate social responsibility not only focusing on the profit results obtained.

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