The Effect of Good Corporate Governance on Disclosure of Corporate Social Responsibility with Company Size as a Moderating Variable

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Abstract: Banking has many relationships that are directly involved with the community in the form of social responsibility carried out by banking to the community, namely by implementing Corporate Social Responsibility (CSR) programs. Implementation of CSR is a concept that makes companies responsible for social and environmental issues around the company so that they can develop in a sustainable manner. The method used in this research is a quantitative method. The number of observational data is 80 companies with purposive sampling technique. The analysis technique used is Moderated Regression Analysis (MRA). The results show that foreign ownership and institutional ownership have a positive effect on CSR disclosure. Company size has a significant negative effect on foreign ownership and institutional ownership on CSR disclosure.
Keywords: Corporate Social Responsibility, Stakeholder, Foreign Ownership, Institutional Ownership, Company Size

1. Introduction

Banking is one of the most influential financial sectors in Indonesia. The high circulation of money within the country makes banks play a very important role in trade because banks have an intermediary function, namely acting as financial intermediaries between parties who have funds and those who need funds. Improving banking performance can be used as a benchmark in measuring the progress of a country. Banking in carrying out its duties is required to provide evidence of concern for the community that is directly involved in its operational activities. Banking in this case has many relationships that are directly involved with the community in efforts to improve the economy, therefore as a form of social responsibility carried out by banks to the community, banks carry out Corporate Social Responsibility (CSR) programs (Pratiwi et al, 2020). Banking realizes CSR programs by distributing environmental development programs consisting of natural disaster assistance, education, health and worship facilities as well as environmental preservation.

Banking companies are financial institutions that have the role of saving and channeling funds to the public, companies and government agencies with the aim of

meeting the capital and investment needs of fund owners so that in carrying out their functions, the basis of bank operations is trust (Edison, 2017). Almost all banking activities have a direct impact on the wider community, especially from an economic standpoint, so that the community directly experiences the activities of banking companies. This is what encourages banking companies to be required to carry out CSR disclosures. Disclosure of CSR carried out by the company will be able to improve the company's image in the eyes of investors so that it will attract investors to invest in the company.

Implementation of CSR is a concept that makes the company responsible for social and environmental issues around the company so that the company can develop in a sustainable manner. The inclusion of the concept of CSR has changed the company's business strategy from only seeking profit to balancing the economy, social and environment. It is common to find irresponsible companies causing damage to the environment, as has happened in various regions where natural resources have been over-exploited without regard to the physical and social impacts. For example, PT Lapindo Brantas, which is a subsidiary of PT Energi Mega Persada Tbk, has polluted the environment as a result of the hot mudflow which began on May 28 2006 in the Porong area, Sidoarjo. This then becomes the public spotlight so that every company carries out social and environmental responsibility as a result of these activities (Dewi & Ramantha, 2021). All types of business activities, especially those engaged in the utilization of natural resources, either directly or indirectly, will definitely have an impact on the surrounding environment, such as labor problems and environmental pollution.

A company as a social organization needs to interact with its social environment. One of the rules governing CSR in Indonesia is Article 66 paragraph 2c of Law Number 40 of 2007 concerning Limited Liability Companies which states that all companies are required to report the implementation of social and environmental responsibility in their annual reports. Therefore, it is not only companies whose activities are related to natural resources that carry out CSR, but companies whose activities are not related to natural resources are also required to carry out CSR. Implementation of CSR programs in banking companies can be said to be important because banking companies will have direct contact with the surrounding community and even companies in other sectors also have close relationships with banks for their financial needs. Many benefits are obtained by companies with the implementation of social responsibility, including the company's products offered which are increasingly in demand by the public and companies are favored by investors. Thus, CSR can be interpreted as one of the media used to show the company's concern for the surrounding community.

Disclosure of CSR according to Mulyani et al, (2018: 230) is the implementation of companies in reporting CSR activities in their annual reports. Therefore it is necessary to supervise and control itself by a corporate governance or corporate governance. Disclosure of social responsibility in the company's annual report is a form of transparency of company performance to the public as a form of implementing corporate governance principles. Disclosure of CSR can be one of the company's competitive advantages by increasing investor interest in the company. According to Jayanti & Husaini (2018) investors tend to invest in companies that carry out CSR activities, which means that these companies prioritize sustainability aspects.

Guidelines for Good Corporate Governance (GCG), namely the Forum for Corporate Governance in Indonesia (FCGI) defines GCG as a set of regulations governing the relationship between shareholders, company management, creditors, government, employees and other internal and external stakeholders or a system that regulates and control a company. GCG is considered as a driving factor in CSR disclosure from the perspective of stakeholder theory (Harum et al, 2020). Stakeholder theory states that companies do not only operate to fulfill their own interests but must provide benefits to stakeholders. The implementation of CSR activities cannot be separated from the implementation of GCG. The Indonesian GCG general guidelines state that the purpose of implementing GCG is to encourage corporate awareness and corporate responsibility to the community and the surrounding environment.

One of the GCG mechanisms that influences the implementation of CSR is the ownership structure (Rustariuni, 2011). The ownership structure is a separator between company owners and company managers. The owner or shareholder is a party that invests capital in the company, while the manager is the party appointed by the owner and is given the authority to make decisions in managing the company, with the hope that the manager will act in the interests of the owner. Differences in the percentage of share ownership owned by investors can affect the level of perfection of CSR disclosure in a company. This can be assessed by the more parties who need information about the company, the more detailed CSR disclosures are made by the company. The structure of share ownership in companies generally includes institutional ownership, managerial ownership, foreign ownership and share ownership by individuals or the public.

In this study, GCG will be seen through a mechanism that is proxied by foreign ownership and institutional ownership variables. Foreign ownership is defined as the number of shares owned by foreign parties, both individuals and institutions, in company shares in Indonesia (Irmayanti & Mimba, 2018). According to Law no. 25 of 2007 states that foreign ownership is foreign citizens, foreign business

entities, and/or foreign governments that invest in the territory of the Republic of Indonesia (Sari, 2020). Foreign share ownership is one of the company's stakeholders that is the target of CSR disclosure. If the company has contracts with foreign stakeholders, the company will be more supported in disclosing CSR. Foreign ownership in a company is a party that is considered concerned about CSR disclosure, this is because foreign ownership has a high level of supervision for management in supervising companies to carry out corporate social activities/activities.

Institutional ownership is share ownership by other institutions, namely companies or other institutions. Ownership of shares by parties in the form of institutions such as insurance companies, banks, investment companies, and other institutional ownership (Rivandi, 2020a). Institutional ownership has the ability to control management through an effective monitoring process. The existence of institutional ownership in a large proportion can be a strong mechanism that can be used to monitor company management so that it does not commit fraud that management might commit (Rivandi, 2020).

Shareholding structures such as foreign ownership and institutional ownership are factors that influence CSR disclosure. However, the ownership structure factor has been widely studied and has not yet obtained consistent results. Previous research conducted by Singal & Putra (2019), Yanti & Endiana (2021), states that foreign ownership and institutional ownership have no effect on CSR disclosure. However, there is a research gap in research by Yani & Saputra (2020) that institutional ownership and foreign ownership have an effect on CSR disclosure. Likewise with research conducted by Putu et al, (2015), Rivandi (2020) shows that foreign ownership and institutional ownership have a positive effect on CSR disclosure. Several studies that have been put forward have not yielded consistent results. Therefore, it is suspected that there are other variables that can strengthen or weaken the effect of GCG on CSR disclosure. Based on the phenomenon and the results of this study, the researchers added a moderating variable, namely company size, as a moderating variable related to GCG disclosure in CSR disclosure.

The role of company size is important, this is because the larger the size of the company, the more CSR disclosures will be made by the company (Prasetya, 2016). So the researchers determined company size as a moderating variable that was able to strengthen a direct influence between the independent variable (GCG) and the dependent variable (CSR). Company size is used as a scale that determines the size of a company. In addition, related to stakeholder theory, large companies tend to have more share ownership so that a greater number of shareholders will require greater financial information as well. This causes companies to disclose financial information that is more extensive and complete in order to

get support from stakeholders. The larger the size of the company, the more it will be known and known to the public. Company size describes the size of a company as indicated by total assets, number of sales, and average total sales. According to Purba & Yadnya (2015) stated that company size has a positive effect on CSR disclosure.

2. RESEARCH METHOD

This research uses a quantitative approach in the form of casual associative research. This research was conducted at banking companies listed on the Indonesia Stock Exchange (IDX) in 2018-2021. The data is obtained from the banking company's annual report which is downloaded via www.idx.co.id. The data used in this research is secondary data. The data was obtained from the banking company's annual report for 2018-2021. The research object is an attribute determined by the researcher in an activity and then obtains the conclusion (Sugiyono, 2018: 28). The object of this research is the disclosure of Corporate Social Responsibility (CSR) in the annual reports of banking companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 period.

The independent variables used by researchers are foreign ownership (X1) and institutional ownership (X2). Foreign ownership is the total proportion of foreign ownership in a company, share ownership by foreigners is seen from the company's annual financial statements. The formula for calculating foreign ownership Sissandhy & Sudarno, (2014):

$$\text{Foreign Ownership} = \frac{\text{the number of shares owned by foreigners}}{\text{number of shares outstanding}} \; x \; 100\%$$

...........(1)

Institutional Ownership is share ownership by institutional investors such as banks, pension funds, insurance companies, limited liability companies and other financial institutions (Nugroho & Yulianto, 2015). The formula for calculating institutional ownership (Sari, 2019):

$$\text{Institutional Ownership} = \frac{\text{the number of shares owned by the institution}}{\text{number of shares outstanding}} \; x \; 100\%$$

.....(2)

The dependent variable in this study is CSR disclosure (Y). Disclosure of Corporate Social Responsibility (CSR) is measured using the CSR Disclosure Index (CSRDI). Measurement of CSR disclosure is carried out by assessing each item disclosed in the company's annual report with reference to the Global Reporting Initiative (GRI) standard which consists of 3 main categories, including 13 economic performance indicators, 32 environmental performance indicators, and 40 social performance indicators. The measurement of these indicators is assessed by giving a score of 1 if there is a disclosure according to the 2016 GRI Standard indicators and a score of 0 if there is no disclosure or inappropriate disclosure in the 2016 GRI Standard indicators (Damayanti, 2019). The formula for calculating CSRDI (Ratnadewi & Ulupui, 2016):

$$CSRDIj = \frac{\sum xij}{\sum nj} \dots\dots\dots\dots\dots(3)$$

Information:

CSRDIj : *CSR Disclosure Index per company category*

$\sum xij$: Total disclosures disclosed by the company

$\sum nj$: The number of items for the company, n = 85

xi : *Score* 1 = if item i is disclosed; *score* 0 = if item i is not disclosed (dummy variable)

The moderating variable used in this study is company size (M). Company size is the amount of assets owned by the company. The amount of assets can determine the size or size of the company (Susanti, 2018). Company size is calculated using the natural logarithm of total assets, this means that the use of natural logarithms aims to simplify the number of assets that reach trillions of rupiah without changing the actual proportion (Wahyuni et al, 2013). The formula for calculating company size is as follows:

Company size = *Ln Asset Total* ....(4)

The population of this study is all banking companies listed on the IDX in 2018-2021. IDX was chosen as the research location because IDX is the first stock exchange in Indonesia, which is considered to have complete and well-organized data. The sample used in this study uses the annual reports of banking companies listed on the IDX for 2018-2021. The method of determining the sample in this study is a nonprobability sample using a purposive sampling technique. The purposive sampling technique is a sampling technique with certain considerations (Sugiyono, 2018: 85). The criteria for selecting the sample to be used in this study are as follows. (1) Banking companies listed on the IDX for the 2018-2021 period. This study uses data for the 2018-2021 period, the purpose of which is to differentiate research that has been conducted by previous researchers. (2) Banking companies that do not submit annual reports for the 2018-2021 period in a row. (3) Banking companies that do not disclose their CSR in their annual reports during 2018-2021 respectively. (4) Having incomplete data related to the variables used in the study. This study uses quantitative data sourced from secondary data. Data collection is carried out by downloading the necessary data through the IDX's official website, namely www.idx.co.id. The data that has been obtained is then collected, tabulated, analyzed and interpreted. The analysis technique used in this research is Moderated Regression Analysis (MRA). According to Sugiyono (2018: 227), the equation can be stated as follows.

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 M + \beta_4 X_1 M + \beta_5 X_2 M + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots(5)$

Information:

Y : Corporate CSR disclosure

α : Constanta

$\beta_1, ..., \beta_5$: Regression coefficient of each independent variable

X_1 : Foreign Ownership

X_2 : Institutional Ownership

M : Company Size

$\beta X_1 M$: Interaction between Foreign Ownership and Company Size

$\beta X_2 M$: Interaction between Institutional Ownership and Firm Size

ε : *Error is the level of error in the estimator research*

3. RESULT AND DISCUSSION

Descriptive statistics are statistics that describe and describe data into information that is clearer and easier to understand (Ghozali, 2018: 19). In this study descriptive statistics are presented to provide an overview of the minimum value, maximum value, average value (mean) and standard deviation of each variable. The results of descriptive statistics are shown in Table 1 below.

Table 1. Results of Descriptive Statistical Analysis

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Foreign Ownership	80	0,00	0,97	0,398	0,341
Institutional Ownership	80	0,01	0,90	0,406	0,267
Company Size	80	28,05	38,52	32,574	2,625
CSR	80	0,14	0,22	0,180	0,019
Valid N (*listwise*)	80				

Source: Secondary data processed, (2023)

The foreign ownership variable has a minimum value of 0.00 and a maximum value of 0.97 with an average value of 0.398 and a standard deviation value of 0.341. The mean value of the foreign ownership variable is higher than the standard deviation value indicating that the data deviation is low and the data distribution of the foreign ownership variable is even. Low data deviation indicates that the distribution of data values is good. The institutional ownership variable has a minimum value of 0.01 and a maximum value of 0.90 with an average value of 0.406 and a standard deviation value of 0.267. The mean value of the institutional ownership variable is higher than the standard deviation value, indicating that the data deviation is low and the institutional ownership variable data is evenly distributed. Low data deviation indicates that the distribution of data values is good.

The company size variable has a minimum value of 28.05 and a maximum value of 38.52 with an average value of 32.574 and a standard deviation value of 2.625. The mean value of the company size variable is higher than the standard deviation value indicating that the data deviation is low. Low data deviation indicates that the distribution of data values is good.

The CSR variable has a minimum value of 0.14 and a maximum value of 0.22 with an average value of 0.180 and a standard deviation value of 0.019. The mean value of the CSR variable is higher than the standard deviation value indicating that the data deviation is low. Low data deviation indicates that the distribution of data values is good.

The classical assumption test is performed before conducting a moderation regression analysis so that the results of the regression model calculations can be

interpreted accurately. Based on the 80 company data studied, the results obtained through the classical assumption test are as follows. In this study, the test used the Kolmogorv-Smirnov test. If the asymp coefficient. sig. (2-tailed) is greater than 0.05, then the data will be normally distributed. After the outlier data is removed, the results of the normality test on 80 observations show that the significant value is asymp. Sig 2 tailed shows that the value is 0.200 which is greater than 0.050 (0.200 > 0.050). So it can be concluded that the data in the study are normally distributed.

Multicollinearity test is used to see whether there is a high correlation between independent variables in one regression. A good regression model should not have a correlation between the independent variables. To find out whether there is multicollinearity, it can be seen from the tolerance and variant inflation factor (VIF). If the tolerance value is more than 0.10 or VIF is less than 10, then there is no multicollinearity. Based on the results of the multicollinearity test on 80 observations obtained tolerance values at X1, X2, M, X1M, X2M with respective values of 0.365, 0.201, 0.976, 0.466, 0.180 while VIF values at X1, X2, M, X1M, X2M with values each of 2.739, 4.970, 1.025, 2.148, 5.554. This can indicate that the tolerance value of each independent variable is greater than 0.10 and all VIF values are less than 10. This means that in the regression model there is no multicollinearity.

The autocorrelation test aims to find out that in a regression model there is a correlation between the t-period error and the t-1 period error. Good regression model, which is free from autocorrelation. To find out whether or not autocorrelation exists, the Durbin Watson (DW) test is used with the testing criteria if du < dw < (4 – du) then it can be said that there is no autocorrelation. These results indicate that the value obtained from the Durbin-Watson value is 2.038. Based on the autocorrelation test equation, it is known that the value of du = 1.743 with the autocorrelation test equation du < dw < (4-du). Based on these equations, it is known that the equation formed is 1.743 < 2.038 < (4-du) 2.257. then the data is free from the autocorrelation test.

The heteroscedasticity test aims to determine whether there is an unequal variance from one residual observation to another. In order for the regression model to be free from heteroscedasticity symptoms, the significance value of the independent variables in the absolute residual must be greater than 0.05. To detect whether there is heteroscedasticity in the model, it can be seen from the significance value of the Glejzer test. The results of the heteroscedasticity test on 80 observations can be seen from the significance value for each variable for the absolute residual value which is above 0.05 or > 5%, so it can be concluded that the data in the study are free from heteroscedasticity.

Test the hypothesis in this study using Moderated Regression Analysis (MRA). MRA is a special application of multiple linear regression where the regression

equation contains an element of interaction (multiplication of two or more independent variables). MRA aims to examine the relationship between the independent and dependent variables in which there are factors that strengthen or weaken the relationship (moderating variable).

Table 2. Moderated Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,084	0,039		2,128	0,037
	Foreign Ownership	0,035	0,015	0,396	2,350	0,021
	Institutional Ownership	0,076	0,026	0,672	2,963	0,004
	Company Size	0,002	0,001	0,215	2,083	0,041
	Foreign Ownership* Company Size	-0,001	0,000	-0,440	-2,946	0,004
	Institutional Ownership* Company Size	-0,003	0,001	-0,732	-3,051	0,003

a. Dependent Variable : CSR
Source: Secondary data processed, (2023)

Based on the results of the moderation regression in Table 2, the regression equation that can be made is as follows.

$$CSR = 0,084 + 0,035X_1 + 0,076X_2 + 0,002M – 0,001X_1M – 0,002X_2M$$

The constant value obtained is 0.084 meaning that if the variables of foreign ownership, institutional ownership, company size, interaction between foreign ownership and company size and interaction between institutional ownership and company size are assumed to be constant (value 0), then the dependent variable, namely CSR, will increase by 0.084. The regression coefficient value for the foreign ownership variable is 0.035, meaning that if foreign ownership increases by one unit, CSR will also increase by 0.035. The regression coefficient value for the institutional ownership variable is 0.076, meaning that if the institutional ownership variable increases by one unit, CSR will also increase by 0.076. The regression coefficient value for the firm size variable is 0.002, meaning that if the firm size variable increases by one unit, the firm value will increase by 0.002.

The interaction between foreign ownership and company size has a regression coefficient of -0.001, this means that if the moderation of company size decreases by one unit, the effect of foreign ownership on disclosure of corporate social responsibility decreases by 0.001 assuming the other independent variables are constant. The

interaction between institutional ownership variables and company size has a regression coefficient of -0.003, this means that if the moderation of company size decreases by one unit, the effect of institutional ownership on disclosure of corporate social responsibility decreases by 0.003 assuming the other independent variables are constant.

The coefficient of determination test is used to determine how much the independent variable can explain the movement of the dependent variable in the regression equation under study. Adjusted R square values have intervals ranging from 0 to 1 (0 ≤ R2 ≤ 1). The results of the coefficient of determination can be seen in the following table.

Table 3. Test Results for the Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,483	0,233	0,181	0,027

Source: Secondary data processed, (2023)

Based on Table 3 above, it shows that the Adjusted R Square (R2) is 0.181. This means that the effect of the interaction of foreign ownership and corporate social responsibility, the interaction of institutional ownership and corporate social responsibility is 18.1% while the remaining 81.9% is explained by other factors outside the analyzed model.

The individual significance test (t-test) aims to show how far the influence of one independent variable individually explains the variation of the dependent variable (Ghozali, 2018: 97). The t-test can be done by looking at the significance value of t, if the significance value of each independent variable is less than 0.05, it can be said that there is an influence of the independent variable on the dependent variable.

Table 4. Hypothesis Test (t test)

	Model	t	Sig.
1	(Constant)	2,128	0,037
	Foreign Ownership	2,350	0,021
	Institutional Ownership	2,963	0,004
	Foreign Ownership* Company Size	-2,946	0,004
	Institutional Ownership* Company Size	-3,051	0,003

The results showed that the regression coefficient was 0.035 with a significance level of 0.021 which is less than 0.05. The test results

indicate that foreign ownership has a positive effect on CSR disclosure. This shows that it can be concluded that H1 is accepted. The results show that the regression coefficient is 0.076

with a significance level of t is 0.004 which is less than 0.05 indicating that institutional ownership has a positive effect on CSR disclosure. This shows that it can be concluded that H2 is accepted. The results showed that the significance level of t was 0.004 which is smaller than 0.05 (0.004 <0.05) and the regression coefficient value was -0.001. The test results state that company size can moderate foreign ownership of CSR disclosure in a negative direction. This shows that it can be concluded that H3 is accepted. The results showed that the significance level of t was 0.003 which is smaller than 0.05 (0.003 <0.05) and the regression coefficient value was -0.003. The test results state that company size can moderate institutional ownership of CSR disclosure in a negative direction. This shows that it can be concluded that H4 is accepted.

The model feasibility test (F-test) aims to determine whether in this study the model used is feasible or not as an analytical tool to test the effect of the independent variable on the dependent variable. The results of the F-test can be seen in Table 5 below.

Table 5. Model Feasibility Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0,017	5	0,003	4,502	0,001

Source: Secondary data processed, (2023)

Based on the results of Table 5 above, it can be seen that the calculated F value is 4.502 with an F significance value of 0.001 which is smaller than 0.05. This shows that the model in the study can be said to be feasible or the variables of foreign ownership, institutional ownership, and company size are able to explain CSR disclosure variables. Thus, the equation of this research model is said to be feasible to study and can be continued with proving the hypothesis.

The results of the study show that foreign ownership has a positive effect on CSR disclosure. This means that the higher the number of foreign ownership in a company, the CSR disclosure will increase. This shows that it can be concluded that H1 is accepted. The higher the level of foreign ownership in a company, the CSR disclosure efforts will tend to increase. This is because the high foreign ownership makes management have an even greater incentive to disclose CSR. These results are supported by research conducted by Yani & Saputra (2020), Sari (2020), Yani (2020), and Putu et al (2015) stating that foreign ownership has proven to have an effect on CSR disclosure. Because companies whose shares are owned by foreign parties are more concerned about the environmental conditions of their companies, because foreign investors have a

commitment to obey the rules that apply in the company's operational area. Foreign ownership is one of the company's stakeholders that is the target of CSR disclosure. Stakeholder theory says that high foreign ownership in a company makes managers try to make high CSR disclosures because foreign ownership in companies is considered a party that is concerned about the disclosure of corporate social responsibility, and foreign investors are also considered to have a commitment to obey the rules that apply in the company. company operational area. Research in Malaysia conducted by Susanto & Joshua (2019) shows that companies use CSR disclosure reports as a strategy to attract foreign investors and to obtain continued capital flows from foreign investors.

The results of the study show that institutional ownership has a positive effect on CSR disclosure. It can be concluded that the higher the amount of institutional ownership in a company, the CSR disclosure will increase. This shows that H2 is accepted. A high level of institutional ownership will lead to greater oversight efforts by institutional investors so as to deter managers' opportunistic behavior. Oversight of management policies can be carried out more strongly by institutional parties than other shareholders, so that institutional parties can demand management to disclose company activities. These results are supported by research conducted by Singal & Putra (2019), Rivandi (2020) also found that institutional ownership has a positive effect on

the extent of CSR disclosure. Institutional ownership can be an effective tool for monitoring. With large institutional ownership, it can encourage increased CSR disclosure by companies. Oversight carried out on management policies can be stronger if carried out by institutional parties compared to other shareholders, so that institutional ownership can require management to disclose company activities. Institutional ownership can increase control over management and reduce opportunities for fraud that might be committed by Rivandi (2020). Research conducted by Yani & Saputra (2020), states that the higher the institutional ownership, the potential for companies to disclose their CSR will increase. When viewed from stakeholder theory, the greater the institutional ownership in a company, the greater the pressure on company management to disclose social responsibility. Institutional ownership has the power and experience in being responsible for implementing corporate governance principles to protect the rights and interests of all shareholders, so they demand companies to communicate transparently. Institutions will professionally monitor the progress of their investments in order to generate the profits they want to achieve. Monitoring carried out by this institution will pressure management not to act in a deviant manner.

The results showed that company size can moderate foreign ownership on CSR disclosure in a negative direction. This shows that

H3 is accepted, the negative coefficient value indicates that the higher the size of the company, the assumption is that shareholder will obtain greater profits. These results indicate that the larger the size of the company will result in increased foreign ownership, this will have an impact on decreasing CSR disclosure. Research conducted by Fitriana (2019), Yai (2019), and Andhira (2021), found that foreign ownership moderated by company size has an effect on CSR disclosure in manufacturing companies listed on the Indonesia Stock Exchange (IDX). Foreign ownership can be an effective tool for monitoring. This means, the large size of a company means that foreign ownership will have an impact on consideration of CSR disclosure so that it will have an impact on reducing CSR disclosure carried out by the company. Stakeholder theory states that companies with a large size will make more CSR disclosures so that more parties will become part of the company's stakeholders, so that the wider the scope of corporate social responsibility. Large companies with foreign ownership will carry out more social responsibility compared to small companies. This is because, companies in which there are foreign investors will disclose social responsibility, in order to gain legitimacy from foreign investors and the surrounding community.

The results of the study show that company size can moderate institutional ownership on CSR disclosure in a negative direction. This shows that H4 is accepted. The negative coefficient value indicates that company size weakens the effect of institutional ownership on CSR disclosure. These results indicate that the larger the size of the company will result in increased institutional ownership, this will have an impact on decreasing CSR disclosure. Research conducted by Fitriana (2019), Rudianti (2020) and Latifah (2022), found that institutional ownership moderated by company size affects CSR disclosure in manufacturing companies listed on the Indonesia Stock Exchange (IDX). Institutional ownership can be an effective tool for monitoring. This means, the size of a company, the large number of institutional ownership will not have an impact on consideration of CSR disclosure. According to stakeholder theory, the effect of company size on CSR disclosure is that the larger a company, the more parties that are part of the company's stakeholders, so that the wider the scope of corporate social responsibility. Institutional shareholders are usually in the form of entities such as banking, pension funds, insurance, mutual funds and other institutions. Institutional ownership can improve control over management and reduce opportunities for fraud that may be committed.

4. CONCLUSION

Based on the results of research from data analysis with statistical testing and discussion as described in the previous chapter, the conclusions in this study are as follows. The results of the study show that foreign ownership has a positive effect on CSR disclosure.

The results of the study show that institutional ownership has a positive effect on CSR disclosure. The results showed that company size can moderate foreign ownership on CSR disclosure in a negative direction. The results of the study show that company size can moderate institutional ownership on CSR disclosure in a negative direction.

For banking companies, it is recommended that the company's activities always pay attention to CSR disclosure. This is because if companies make CSR disclosures that are increasing, in addition to having an impact on the company, by disclosing CSR, the company's image will increase and have an impact on investors in investing in the company. Negative moderating firm size on foreign ownership and institutional ownership on CSR disclosure. It is recommended for companies to consider that in an organization that has a high valuation, it should be able to disclose more CSR activities. For future researchers, it is hoped that researchers can use other sub-sectors in analyzing the disclosure of CSR activities. Such as the industrial or food and beverage sub-sector in the manufacturing sector. Because the company has a direct impact on the environment, a large company size will have an impact on higher CSR disclosure through foreign ownership and institutional ownership.

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