Advances in Economics, Business and Management Research, volume 192
Proceedings of the Seventh Padang International Conference On Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA 2021)

Ownership Structure and Corporate Social Responsibility Disclousure

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ABSTRACT
This research is influenced by means of the effect of the ownership structure on the disclosure of corporate social responsibility. Several factors that affect the disclosure of corporate social responsibility are institutional ownership, managerial ownership and foreign ownership. in this research, there are control variables that affect CSR disclosure is a firm size and profitability.

Keywords: *Ownwership structure, Firmsize, Profitabilitas, CSR.*

1. INTRODUCTION

A company in carrying out its activities can not be separated from affecting the environment in which it operates. CSR is a form of corporate social responsibility for the company's operations and the company's concern for society and the environment. This activity cannot be separated from the company owner's decision to be responsible for the environment and society.

Most researchers explain the benefits of participating in CSR can improve the good name of the company, increase integrity and accountability, can increase share prices, and relieve stakeholder pressure on the company. Points out that CSR, includes all activities that organizations undertake voluntarily to focus on the interests of their shareholders and the welfare of company employees and also give them positive signals [20]. CSR practices are not only for profit but also consider the whole society.

The implementation of corporate social responsibility activities is inseparable from the implementation of good corporate governance. the general pointers for corporate governance in Indonesia suggest that the purpose of imposing corporate governance is to promote cognizance and company responsibility towards the network and the encompassing environment. Ownership structure is one of the factors of corporate governance that affects the implementation of corporate social responsibility. Corporate disclosure policy is also influenced by elements of corporate governance, namely managers, management structure, remuneration, and ownership.

Management ownership and institutional ownership are two basic corporate governance mechanisms that help solve company problems[10]. Management ownership is percentage possession of business enterprise organization manage as measured with the resource of the share of stocks owned with the resource of manage, on the equal time as institutional ownership is percent ownership in authorities, monetary institutions, legal entities, and different institutions. Foreign ownership is the part of outstanding percent owned through the usage of foreign traders, specifically businesses owned with the aid of individuals, criminal entities, governments and elements thereof with distant places fame of the entire outstanding percentage capital the implementation of suitable company governance.

CSR is an increasingly broad form of corporate responsibility to society and the environment. This is done because the company wants legitimacy and positive values from the community. Based on the theoretical foundation, it can be described as a framework for analyzing the influence of ownership structure on CSR disclosure.

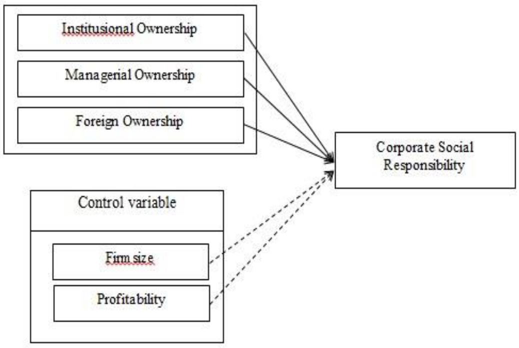

Figure 1. Conceptual framework

2. LITERATURE

2.1. Stakeholder Theory

Stakeholder theory is defined by as "Individual or group of shareholders who can influence and can be influenced by the achievement of company goals" [6]. Stakeholder theory is used for analytical and empirical analysis of companies and the environment in which the company operates.

The principle goal of the organisation is to fulfill the demands of stakeholders in an orderly way and achieve the business enterprise's strategic goals. In this study we explore the impact of ownership structure to analyze the ownership structure of companies involved in CSR practices.

Stakeholders essentially can control or have the capability to persuade the use of financial assets used by the organization. Therefore, the existence of a company is largely affected by the support of stakeholders to the company [7].

2.2. Legitimacy Theory

Many researchers use it as one of the motivations behind the disclosure of social and environmental. Information in the hope of legalizing the operations of the organization[4]. The status of the company as a part of the community is shown through the company's operations, which often affects the surrounding communities. Its existence can be accepted as a member of the community. On the other hand, if the company cannot adapt to the norms prevailing in the community or even harm community members, its existence will be threatened.

2.3. Corporate Social Resposibility

CSR dention is "Corporate social responsibility is a commitment to improve community well-being through discretionary business practice and contributions of corporate resources" [11]. The factors that affect the implementation and disclosure of corporate social responsibility include political economy theory, legitimacy theory and stakeholder theory [4].

Reports on CSR activities that have been carried out by the company are disclosed in the media, one of which is a sustainability report. Sustainability report is a report form in which the company discloses or communicates the economic, environmental and social performance of the community to all stakeholders in a responsible manner.

Sustainability reporting guidelines that are a popular reference for many companies in Indonesia are the guidelines developed by the Global Reporting Initiative (GRI). The measurement of CSR disclosure makes use of the global Reporting Initiative (GRI) index which has been implemented across the world and has been utilized in many countries. GRI is seen as one of the comprehensive and reliable guidelines because it has been published globally and is supported by a report structure that represents the interests of various parties [1]. According to Sukoharsono, the use of the GRI sustainability reporting guidelines has been practiced by more than 1000 companies worldwide [15].

Table 1. Standard development GRI G1 – GRI Standards

No	Years	GRI Sustainability Reporting Guidelines
1	2000	G 1
2	2002	G 2
3	2006	G 3
4	2011	G 3.1
5	2013	G.4
6	2016	GRI STANDARDS

The GRI Sustainability Reporting Guidelines are the main reference in making sustainable reports. GRI standards have also developed from time to time. Starting from the first generation of reporting standards in year 2000 until now the standard has developed version by version. In the GRI Standards 2016 standard, universal and specific standard modules are divided.

Table 2. Modul GRI Standards

No	GRI Standards	GRI standar number	Modul standar
1	GRI 100 Foudation	101,	Universal Standards
	GRI 102 General Disclosure	102	
	GRI 103 Management Approach	103	
2	GRI 200 Economic	201, 202, 203, 204, 205, 206, 207	Topic-specific standar
3	GRI 300 Environmental	301, 302, 303, 304, 305, 306, 307, 308, 302	
4	GRI 400 Social	401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419	

2.4. Ownership structure

The shareholding structure is the shareholding structure, that is, the ratio of the number of shares held by insiders to the number of shares held by investors. Or in other words, the shareholding structure is the proportion of institutional shareholding, management shareholding and overseas shareholding in the company's shareholding. When the company conducts its activities, it is represented by the director (agent) appointed by the shareholder (the principal).

3. DISCUSSION

3.1. Institutional ownership of CSR disclosure

Institutional ownership refers to the ownership of all events and shares of other institutions in the form of foundations, banks, insurance businesses, investment institutions, pension price ranges, group companies (PT), etc. One way to reduce enterprise costs is to growth the ownership of the organisation responsible for supervising the organisation [10]. In different phrases, it'll encourage the pleasant tracking of management overall performance. This shows that an increase in the proportion of institutional ownership can reduce the proportion of control rights, because control and institutional ownership are interchangeable as monitoring functions.[18].

The higher the ratio of public ownership or proportion level of a organisation, the higher the expectancy of the enterprise's disclosure [9]. The reason is the strong reciprocal relationship between corporate responsibility and external parties, namely the community (public). The public shareholding ratio mentioned here refers to the institutional shareholding ratio determined in the company's annual report. In Soliman and Yong research, institutional ownership has a significant positive effect on CSR disclosure[13], [17].

3.2. Manager ownership of CSR disclosure

Manager ownership is a situation that shows that the manager owns stocks inside the company or that the supervisor is also a shareholder of the corporation [16]. These parties are people who take a seat on the board of commissioners and the board of directors of the organisation. Based on agency theory, “the relationship between management and shareholders is prone to agency problems. Agency theory states that one of the mechanisms to minimize agency conflicts within the company is to maximize the amount of managerial ownership. By increasing the number of managerial ownership, management will feel a direct impact on every decision they make because they become owners of the company” [10].

Use the higher the percentage of stocks held by management within the organization., the control tends to work tougher for the advantage of shareholders, and the shareholders are themselves, In Terzaghi's research it has no effect on CSR disclosure [21], and Soliman research, manager ownership has a negative effect on CSR disclosure [17].

3.3. Foreign ownership of CSR disclosure

Foreign ownership is the share of the organisation's normal stocks owned with the aid of individuals, felony entities, the authorities and elements thereof with foreign fame. Foreign ownership within the organization is a celebration and is considered to be related to the disclosure of corporate social responsibility [12]. If the business enterprise has contracts with overseas stakeholders in each ownership and exchange, the employer can be extra supported in disclosing CSR. In Yong's research and, Esa (2015) foreignownership has an impact on CSR disclosure [5],[13].

3.4. Firmsize

Firmsize is the size of the organization may be measured by total assets / company assets by means of the use of the calculation of the logarithmic cost of general assets [8]. The notion of company size is the scale of the organisation can be visible from the amount of equity price, sales value. Purwanty research [14] there is a positive significant effect of the firm size variable on the disclosure of corporate social responsibility [14], and Swandari research it implies that the firm size does not increase the value of CSR [5].

3.5. Profitabilitas

The concept of profitability in economic principle is frequently used as a trademark of the organisation's fundamental overall performance representing management performance [3]. There are several measures to determine the company's profitability, namely: return of equity, return on assets, earnings per share, net profit margin[2]. In research Swandari's and Esa that is measured through profitability with positive effect, or it'll boom the fee of CSR [5], [19].

4. CONCLUSION

The motive of this observe is to research the ownership structure of CSR disclosure in listed public companies. Based on the results of the review that different types of shareholders will have different motivations for CSR involvement. In this ivestigate, we find that the company's ownership structure has a role in CSR disclosure

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