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UNIVERSITI SAINS ISLAM MALAYSIA
ISLAMIC SCIENCE UNIVERSITY OF MALAYSIA

IKATAN AKUNTAN INDONESIA

International Conference on Accounting, Business & Economics

December 10th-11th, 2015
Inna Garuda Hotel
Yogyakarta, Indonesia

Certificate

This is to cerify that

HASNI YUSRIANTI, SE., MAAC., Ak., CA

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Introduction

The International Conference of Accounting, Business and Economics is event organised by the Faculty of Economics, Universitas Islam Indonesia in cooperation with the University Putra Malaysia and the University Sains Islam Malaysia. The conference is an annual event organised by these universities to promote collaboration, networking and knowledge sharing.

In addition to parallel sessions that enable all participants to engage in academic conversation, the conference organises keynote speeches delivered by experts in the field, echoing the conference theme of 'Promoting Economic Growth Through Good Governance, Transparency and Accountability'. These speeches serve as a forum for participants to get closer to understanding the current state of knowledge in relation to the themes. In short, this conference is an excellent event where academics, business practitioners and other interested parties can share their knowledge and experience.

Editorial

ACCOUNTING

THE INFLUENCE OF CORPORATE GOVERNANCE MECHANISM AND DISCLOSURE OF CORPORATE SOSIAL RESPONSIBILITY TO FIRM VALUE OF MINING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

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ABSTRACT

Good Corporate Governance (GCG) can boost performance of company resources to generate long-term economic value efficiently and by implementing Corporate Social Responsibility (CSR), Company can maximize shareholder equity, reputation, and long-term viability. This study aims to determine how the influence of corporate governance mechanism and disclosure of CSR to firm value both partially and simultaneously. In this study, corporate governance mechanism is proxied by managerial ownership, institutional ownership, independent commissioners, and meeting frequency of audit committee. Firm value is proxied by Tobin's Q Ratio. Sample used is mining companies listed in Indonesia Stock Exchange during 2011-2013. Sample selecting process uses purposive sampling technique. By combining 3 years research, there are 22 companies that meet predetermined criteria's. Data collecting process uses documentation and literature methods. In analyzing data, multiple regressions is used. F-Test and t-Test used for Hypothesis test.

The results shows that managerial ownership, institutional ownership, independent commissioners, meeting frequency of audit committee, and disclosure of corporate social responsibility affect firm value simultaneously. Partially, only disclosure of CSR has significant and positive effect on firm value. However, Managerial ownership, Institutional ownership, and independent commisioner have unsignificant positive effect and meeting frequency of audit committee has negative effect on firm value.

Keywords : *Corporate Governance Mechanism, Disclosure of Corporate Social Responsibility, Firm Value.*

1. INTRODUCTION

Establishing company has several objectives, such as achieving maximum benefit or profit as much as possible, giving prosperity to owner and shareholder, and maximizing firm value (Martono dan Harjito, 2005). Increasing firm value is one of ways. Firm value is very important because it reflects the performance of the company which can affect investor's perception. High firm value will make market, especially investors, not only believe in current performance, but also in company prospect in the future. In general, financial factors are main points that will affect firm value. But today, firm value is not only judged from its financial factors, but also non-financial factors. Influencing firm value, non-financial factors have an impact on investor's perception. Corporate social responsibility and corporate governance mechanism are non-financial factors that need to be considered by the company. Environment can affect the performance of the company (Keats & Hitt, 1988). Heal and Garret (2004), showed that CSR activities can be beneficial element as corporate strategy, contributing to the management of risk and maintain relationships that can provide long-term benefits for the company.

Corporate failures, financial scandals, and economic crises in several countries, have focused attention on the importance of corporate governance. It is expected to create good corporate governance and to enhance value of shareholder. Survey that conducted by Booth-Harris Trust Monitor in 2001 (Sutopoyudo, 2009) showed that majority of consumers would abandon a product that earned bad image. CSR disclosure is expected to increase investor trust to the company prospect. Berghe and Ridder (1999) as quoted in Mendra and Widanaputra (2012) stated that companies that have poor performance because of poor governance. In addition, a recent survey of McKinsey & Company as written on Forum for Corporate Governance in Indonesia indicated that investors in Asia would pay 26 - 30% more for stock of companies that applying good corporate governance than companies with doubtful corporate governance.

Research Siegel and Paul (2006), showed that CSR activities have a significant impact on the efficiency of the productive, technical change, and economies of scale enterprise. It means that countries and companies with good corporate governance will have better access to international capital than those without good corporate governance. Therefore, corporate governance mechanism is needed.

Ruru (2002) stated that weak implementation of good corporate governance in Indonesia can be caused by several factors, such as lack of transparency in reporting financial performance, lack of empowerment of commissioners as supervision organ for management activities, and inability of accountants and auditors in contributing to the corporate financial supervision system. Those will cause company cannot achieve its objectives in the form of maximum profit, company development in a competitive business, and stakeholders' satisfaction.

Besides corporate governance mechanism, corporate social responsibility (CSR) is also viewed as one of non-financial factors that is considered important. Disclosuring CSR activities plays an important role for the company. It is considered as one of company managerial tools and a long-term strategic step that is used to avoid social and environmental conflicts, and also can be used as a measurement of overall company performance. It is in line with the international survey held by KPMG – one of Big Four auditors whose global headquarter located in Amstelveen, Netherlands – in Karim et al. (2013) that stated corporate social responsibility will increase firm value, especially financial value.

This study is conducted to determine the influence of corporate governance mechanism and disclosure of corporate social responsibility to firm value, especially for mining companies listed in Indonesia Stock Exchange. Mining industry is an industry that is chosen by the researcher as the research object, because mining industry is included in high profile industry that has high sensitivity to the nature, high political risk, and high competition. This industry also gains a lot of public attention because of its business operation. The results of observation made by *Jaringan Advokasi Tambang* (*Jatam*) estimated that it was around 70 percent of environmental damages in Indonesia occurred because of mining operations.

In order to know how corporate governance mechanism and disclosure of corporate social responsibility affect firm value of mining companies both simultaneously and partially, this research should be done. It is very important to investigate, because of the existence of contradictory opinions. Some researchers claimed that there was no relationship between corporate governance mechanism and disclosure of corporate social responsibility to firm value. While, some other researchers stated that corporate governance and disclosure of CSR had an influence on firm value. From these considerations, the researcher intended to conduct research entitled: **"The Influence of Corporate Governance Mechanism and Disclosure of Corporate Social Responsibility to Firm Value of Mining Companies Listed in Indonesia Stock Exchange".**

2. LITERATURE STUDY

2.1. Agency, Stakeholder and Legitimacy Theory

Agency Theory explains that separation between owner as principal and management as agent in running company will create some problems. Conflict of interest between principle and agent will be difficult to be avoided. Applying corporate governance mechanism is one of ways that can be done. Furhermore, on Stakeholder Theory**, a**n entity is not a company that only operates for its own interests, but also should provide benefits for other stakeholders. Therefore, when stakeholder controls important economic resource of company, company will react in ways that satisfy the desires of stakeholder (Ullman, 1982 in Ghozali and Chariri, 2007). Social disclosure is considered as a part of dialogues between company and its stakeholders. Furthermore. Moreover, Legitimacy Theory**,** based on the social contract between company and communities where it operates and uses economic resources (Haniffa et al. in Sayekti and Wondabio, 2007). It focuses on the adequacy of corporate social behavior. It means that the society will judge company based on the image that will be made by company itself. Disclosure of corporate social responsibility is done by company to get a positive value and legitimacy from public.

2.2. Corporate Governance

Corporate governance is a set of laws, regulations, and rules that must be met, which can boost performance of company resources to function efficiently in order to continuously generate long-term economic value for shareholders and surrounding communities as a whole (World Bank). The principles of good corporate governance are transparency, accountability, responsibility, independency, and fairness. In implementation of company activities, good corporate governance principles are set out in a mechanism which is used internal control mechanism that control company using internal structures and processes, like ownership, commissioner, director, etc.

a. **Managerial Ownershi**p

Management ownership is defined as the ownership of shares in company by management who actively participate in corporate decision making which includes commissioners and directors (Wahidahwati, 2002). Higher managerial ownership is expected that management will make every possible efforts for the company and shareholder interests. It is caused by fact that management as well as owner will also get benefit if the company gets profit. By implementing corporate governance mechanism, especially managerial ownership, the performance of company is expected to increase. It will increase stock price of company as an indicator of firm value. Soliha and Taswan (2002) in Christiawan and Tarigan (2007) found significant and positive relationship between MO and firm value.

H_1 :The existence of managerial ownership affect firm value positively.

b. Institutional Ownership

High levels of institutional ownership will lead to greater business security conducted by institutional investors. The higher ownership by financial institutions, the greater power of their voice and encouragement to optimize company performance. It will increase firm value. Rachmawati and Triatmoko (2007) found that IO had significant and positive effect to firm value.

H_2 :The existence of institutional ownership affect firm value positively

c. Independent Commissioner

Independent commissioners are all of commissioners who do not have substantial business interests in the company. They serve as a counter-weight in decision making. They act solely for company interest that will increase firm value. Siallagan and Machfoedz (2006) proved that IC affected firm value positively and significantly.

H_3 :The proportion of independent commissioner affect firm value positively.

d. Audit Committee

One of indicators that can be used to determine the quality of audit committee is the frequency of their meeting. The more meeting frequency of audit committee, the better coordination of audit committee in conducting supervision. Therefore, it can ensure that their monitoring activities for management can run effectively.

H_4 :The meeting frequency of audit committee affect firm value positively.

2.3. Corporate Social Responsibility

The definition of social responsibility is responsibility of an organization for the impacts of its decisions and activities on society and environment, through transparent and ethical behavior that contributes to the sustainable development, health, and society welfare; takes into account the expectations of stakeholders; that is in compliance with applicable law and consistent with international norms of behavior; and that is integrated throughout the organization and practiced in its relationships (ISO 26000). It is namely Triple Bottom Line which company not only has responsibility for its profitability, but also for surrounding community and the earth.

Disclosure of corporate social responsibility is a process of communicating the social and environmental impacts of business activities to the special interest groups and society as a whole. Strategy such as CSR can be carried out in order to give good image to external parties. Survey that conducted by Booth-Harris Trust Monitor in 2001 (Sutopoyudo, 2009) showed that majority of consumers would abandon a product that earned bad image. Therefore, company can maximize shareholder equity, reputation, and long-term viability by implementing CSR. CSR disclosure is expected to increase investor trust to the company prospect. It is in line with the research of Orlitzky et al. (2003) in Karim (2013), that used data from 52 researches with cases from 33.878 companies for 30 years, supporting argument that stated social performance and financial performance correlate positively. It will increase firm value.

H_5 :The disclosure of corporate social responsibility affect firm value positively.

2.4. Firm Value

According to Husnan and Pudjiastuti (2002), firm value is price that potential buyer will pay when company sold. Firm value is essentially measured from several aspects. According to Fama (1978) in Wahyudi dan Pawestri (2006), firm value is reflected in its stock price. It is because market price of company stock reflects investor's assessment for overall equity held.

2.5. Previous Research

Windah and Andono (2013) did research about the effect of corporate governance application on company financial performance. The Sample was all of companies that had applied GCG and taken part of CGPI resulted from a survey of IICG during 2008-2011. Results of this study showed that there was no significant effect between corporate governance on financial performance that was measured by ROA and Tobin's Q, while measured by ROE had significant influence. Furthermore, Debby et al. (2013), research to analyze the effect of good corporate governance (proxied by managerial ownership, independent commissioner, and audit committee) and company characteristics (proxied by size and ROE) to Tobin's Q as firm value measurement in banking companies listed in Indonesia Stock Exchange during 2008-2010. The results of their research indicated that 1) GCG did not affect firm value, and 2) company characteristics had positive effect on firm value.

Mendra and Widanaputra (2012) stated that corporate governance had significant positive influence toward the performance of public companies, whether it was measured by ROE, ROA, or Tobin's Q. It was in line with the research conducted by Retno and Priantinah (2012) that showed 1) GCG had positive effect on firm value with size, type of industry, profitability, and leverage as control variables and 2) Disclosure of corporate governance and CSR had a positive impact on firm value.

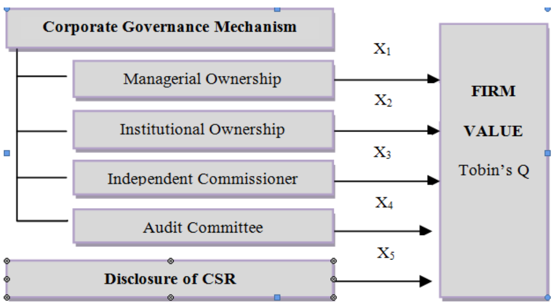
Amri (2011) did research to determine the effects of financial performance, good corporate governance, and corporate social responsibility to firm value. He used ROE as proxy of financial performance, managerial ownership, disclosure of corporate social responsibility and Tobin's Q ratio as measurement of firm value. From all of LQ-45 companies listed in Indonesia Stock Exchange during 2008-2010, he concluded that ROE and CSR had significant effect on firm value, whereas managerial ownership had no significant effect on firm value.

From some previous researches described above, there is the existence of contradictory opinions. The results are inconsistent. Some researchers claimed that there was no any relationship between corporate governance and disclosure of corporate social responsibilityon firm value. But on the other hand, some other researchers stated that corporate governance and disclosure of corporate social responsibility had an influence on firm value.

2.6. Theoritical Framework

There are five independent variables in this research, namely: Managerial Ownership (X1), Institutional Ownership (X2), Independent Commissioner (X3), Audit Committee (X4), Disclosure of Corporate Sosial Responsibility (X5) and one dependent variable, Firm Value (Y).

Figure 1.Theoritical Framework



3. RESEARCH METHODOLOGY

3.1. Population and Sample

Population of this study is all of mining companies listed in Indonesia Stock Exchange during 2011- 2013, includes coal mining, oil and gas mining, metals and other minerals mining, and rocks mining. Sample is selected by purposive sampling technique, by selecting sample based on certain criteria and considerations. Some criteria used are as follows:

Table 1.Sample Selection

Number of mining companies listed in Indonesia Stock Exchange	40
Just listed after 2011, ever changed its sector, or delisted	(11)
Do not published annual reports completely 2011-2013	(7)
Total Sample	22

3.2. Data Type and Data Collecting Method

The type of data used is secondary data that is annual report from each company through website of Indonesia Stock Exchange (www.idx.co.id). Data collection is conducted in two stages. Firstly, it was conducted using documentation study from some books, articles, and journals related to the problems studied. Then, the second stage is researcher conducts literature study by analyzing data obtained from annual report from website of Indonesia Stock Exchange.

3.3. Variable and Measurement

a. Managerial Ownership

Managerial ownership is defined as ownership of shares in company by management who actively participate in corporate decision making.

$$\text{Managerial Ownership} = \frac{\sum \text{shareownedbymanagerial}}{\sum \text{outstandingshare}}$$

b. Institutional Ownership

Institutional ownership is defined as ownership of substantial shares in company by institutions.

$$\text{InstitutionalOwnership} = \frac{\sum \text{shareheldbyinstitutions}}{\sum \text{outstandingshare}}$$

c. Independent Commissioners

At least one third of commissioner members of public companies listed in Indonesia Stock Exchange are independent commissioners.

$$\text{IndependentCommissioner} = \frac{\sum \text{independentcommissioner}}{\sum \text{commissioners}}$$

d. Audit Committee

One of indicators used to determine the quality of audit committee is the frequency of their meeting in one year.

$$\text{AuditCommittee} = \ln\ (\text{Frequency Meeting})$$

e. Disclosure of Corporate Social Responsibility

Disclosure of CSR is information disclosed by company associated with social activities in its annual report. This study uses ISO 26000 as indicator with seven principle issues, which are: organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues, and community involvement and development. The total of expected items disclosed by the company is 37 items in accordance with ISO 26000.

$$\text{CSRD} = \frac{\text{n}}{\text{k}} = \frac{\text{the total number of items disclosed}}{\text{the total number of items that supposed to be disclosed}}$$

f. Firm Value

Firm value is defined as the market value. Measurement used is Tobin's Q ratio, developed by Professor James Tobin in 1967.

$$\text{Tobin}'\text{sQ} = \frac{(\text{MVE} + \text{D})}{(\text{BVE} + \text{D})}$$

MVE = Market value of equity, D = Book value of total liabilities, and BVE = Book value of total equity.

3.4. AnalysisTechnique

In analyzing data, multiple regression analysis is used. Previously, classical test must be done first. This test includes Normality Test, Multi collinearity Test, Autocorrelation Test, and Heterocedastisity Test. Statistically, the accuracy of regression function to estimate actual value can be measured by some elements, such as: Coefficient of Determination (R^2), value of F-test and t-test. The regression equation in this study is:

$$Y = \beta_0 + \beta_1\text{MO} + \beta_2\text{IO} + \beta_3\text{IC} + \beta_4\text{AC} + \beta_5\text{CSRD} + e$$

Where: Y = firm value; B_0 = intercept; β_1, β_2, β_3, β_4, β_5 = regression coefficient; MO = managerial ownership; IO= institutional ownership; IC = independent commissioners; AC = audit committee; CSRD= disclosure of corporate social responsibility ; and e = error.

4. RESULT AND DISCUSSION

Descriptive statistics is used to analyze data in describing data that has been collected without any intention to make generally conclusions. In this section, each variable that has been processed will be described in its minimum value, maximum value, mean value, and standard deviation.

Normality test is conducted by Graph of Normal Probability Plot and Kolmogorov-Smirnov Test. The result shows normal distribution pattern. Points spread around the diagonal line. The value of the Kolmogorov-Smirnov is 1.265 and significance value is 0.082. It is higher than alpha value (0.05), that also shows residual values distributed normally. Multicollinearity test is conducted by looking at the value of tolerance and the value of Variance Inflation Factor in order to know whether there is correlation among independent variables or not. The results shows multi collinearity does not happen. Auto correlation test is conducted using Runs Test. The Result shows that data observed are free from autocorrelation, the significance value (0.608) is higher than alpha value (0.05). Heterocedastisity test is done using a graph between predicted value with residual value. It shows that points spread randomly around 0 on Y of the scatter plots graph, so there is no heteroscedasticity happened in this regression model. Based on the classical assumption tests, these conditions fulfill the requirements to conduct multiple regression analysis in order to test hypotheses.

4.1. Multiple Regression Analysis

The value of Beta in column of Standardized Coefficients is used as a benchmark. It issued because it is able to eliminate differences in unit measurements of independent variables. If each coefficient of variables are standardized first, regression line will pass through the center point. So, the regression equation does not have intercept. It can be written mathematically as follows :

$$FV = 0.221\ MO + 0.162\ IO + 0.092\ IC - 0.117\ AC + 0.451\ CSRD + e$$

To determine the influence for each independent variable to the dependent variable, the value of Beta is used. Its value has a range from 0 to 1. The closer value to 1, the bigger influence of variable independent is.

4.2. Coefficient of Determination (R^2)

Coefficient of Determination (R^2) is used to measure the ability of independent variables in explaning the dependent variable. It is determined by value of Adjusted R Square. It shows that coefficient of Adjusted R Square obtained is 0.174 It means that

17.4% of firm value can be explained by managerial ownership, institutional ownership, independent commissioners, meeting frequency of audit committee, and the disclosure of CSR as independent variables, while the rest can be explained by other factors.

4.3. Simultaneous Significant Test (F-Test)

F-Test shows whether all of independent variables included in this regression model have an influence simultaneously on the dependent variable. The result shows that the F_{count} (3.562) is higher than F_{table}[1] (2.380) and the significance level (0.007) is lower than alpha value (0.05). These results indicate that independent variables affect firm value simultaneously. Therefore, it can be concluded that corporate governance that is proxied by managerial ownership, institutional ownership, independent commissioners, meeting frequency of audit committee, and disclosure of corporate social responsibility affect firm value simultaneously.

4.4. Partial Significant Test (t-Test)

Partial Significant Test (t-Test) shows how far the influence of independent variables in explaining the dependent variable individually. Based on the results of t-Test, disclosure of corporate social responsibility affect firm value individually. It can be viewed from the significant probability values, only CSR disclosure (0.001) that are lower than alpha value (0.05). On the other hands, managerial ownership, institutional ownership, independent commissioners, and meeting frequency of audit committee do not affect firm value individually. It is because their probability values are above 5%. It can be viewed from their significant probability values respectively 0.095, 0.222, 0.450, 0.352.

4.5. Discussion

a. H_1 stated that the existence of managerial ownership affect firm value positively. The result shows that the value of $t_{count}$is 1.698. While, $t_{table}$is 2.003. It also can be seen from the significant value of 0.095 that is greater than the significance level set (0.05). It means that Ho is accepted. It implies that there is no significant effect between managerial ownership and firm value. Managerial ownership is assumed can be increase firm value, because management as well as the owner of company will make every possible efforts for the company’s interest. In this research the percentage of share owned by management is small. It is only 2.9%. This number make the possitive influence given by managerial ownership to firm value is insignificant. It probably will motivate management to maximize their own utility, thus harming shareholders. In addition, the lack of management ownership will also make their performance tend to be low so that cannot increase firm value so high.

b. H_2 stated that the existence of institutional ownership affect firm value positively. Based on the Table. 13, it can be seen that the value of t_{count} 1.234. While, t_{table} is 2.003. Furthermore, the significant value is 0.222 that is greater than the significance level set (0.05). It means that Ho is accepted. It implies that there is no positive effect between institutional ownership and firm value. The results of this study support the theory stating that higher amount of shares owned by institutions will enhance firm value. The higher institutional ownership, the greater power of their voice and encouragement to optimize management performance. It is in line with statement stated by Smith, 1996 in Suranta and Merdistusi, 2004.This result is also supported by research conducted by Murwaningsari (2009), Herawaty (2008), and Rachmawati and Triatmoko (2007), who found that the concentration of institutional ownership has significant positive effect on firm value. This ownership concentration will increase public confidence to the company in the form of increasing trading volume and increasing company stock price.

c. H_3 stated that the proportion of independent commissioner affect firm value positively. The result shows that the value of $t_{count}$is -0.761, while, $t_{table}$is 2.003. It also can be seen from the significant value of 0.450 which is greater than the significance level set (0.05). It means that Ho is accepted. It implies that there is no significant effect between independent commissioner and firm value. The functions of independent commissioners as one of corporate governance mechanism are having responsibility and authority to supervise director's policies and activities, giving advices when needed, protecting interest of minority shareholder, and ensuring management's efforts to produce reliable financial reporting complying with applicable laws and regulations as well as the values determined by the company in carrying out its operations. This study is supported by the research conducted by Ujiyantho and Pramuka (2007) who found the evidence stating that independent commissioners have negative effect on firm value. In order to increase firm value, company is not only expected to pay attention to the quantity of independent commissioners but also to their competence and experience related to personal professionalism in the field of economics.

d. H_4 stated that the meeting frequency of audit committee affect firm value positively. Based on the Table. 13, it can be seen that the value of t_{count}-1.939 and t_{table}2.003. Furthermore, the significant value of 0.352 which is greater than the significance level set (0.05). It means that Ho is accepted. It implies that there is no significant effect between meeting frequency of audit committee and firm value. This result is supported by research conducted by Sutaryo et al. (2011) that is failed to prove the influence of meeting frequency held by audit committee. The result indicates that the implementation of audit committee mechanism in Indonesia is still limited to be only formality in fulfillment of regulations and having no effect on firm value. It is also supported by research conducted by Deviacita and Tarmizi (2012) stated that for non-distressed company whose corporate governance mechanism has been running well, meetings that held periodically just to do responsibility from management. In order to increase firm value, company is not only expected to pay attention to the activity of audit committee, but also to their competence and experience related to personal professionalism.
e. H_5 stated that the disclosure of corporate social responsibility affect firm value positively. Based on the Table.13, it can be seen that the value of t_{count} 3.379 and t_{table} 2.003. Furthermore, it also can be seen from the significant value (0.001) which is smaller than the significance level set (0.05). It means that Ho is rejected. It implies that there is a positive significant effect between CSRD and firm value. The result indicates that the size of CSR practices affect the increasing firm value. This condition shows that many companies have realized that in running their business, not only profit that they must focus on, but also their environment and stakeholders. Disclosing their CSR activities can be one strategy that company done in order to get good image from external parties. It aims to ensure that company can survive in long time. This finding also supports the results of researchs that conducted by Karim et al. (2013), Retno and Priantinah (2012), and Amri (2011). In theory, the disclosure of CSR should be taken into consideration before investors decide to invest.

5. CONCLUSION

5.1. Conclusion

The results of this research shows that managerial ownership, institutional ownership, independent commissioners, meeting frequency of audit committee, and disclosure of corporate social responsibility affects firm value simultaneously. Partially, only disclosure of CSR has significant and positive effect on firm value. However, managerial ownership, institutional ownership and proportion of independent have unsignificant positive effect, and audit committee has negative effect on firm value.

5.2. Limitation

This research has limitation that may affect the results obtained. Its object only consist of 22 mining companies with 3-years study and data from 2011 to 2013, only examines the effect of internal mechanism of corporate governance to firm value and only uses quantitative indicators like percentage of management and institutional ownership, proportion of Independent commisioner, and meeting frequency, to measure variables without considering their quality. Finally, the assessment of CSR disclosure is subjective because every readers see CSR activities disclosed from different perspective. For further research, reseacher could conduct research for long period data observation, up to date, and for all companies listed in IDX.

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