THE INFLUENCE OF FINANCIAL PERFORMANCE AND GOOD CORPORATE GOVERNANCE ON CSR DISCLOSURE MODERATED BY GROWTH

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Abstrak

Tanggung jawab sosial perusahaan (*Corporate social responsibility* - CSR) merupakan elemen yang penting tidak hanya bagi perusahaan tetapi secara luas terhadap ekonomi, lingkungan dan masyarakat. Namun, dalam praktiknya pengungkapan CSR (CSRD) antar perusahaan berbeda-beda. Oleh karena itu, penelitian ini bertujuan untuk mengetahui pengaruh kinerja keuangan (profitabilitas, likuiditas, leverage) dan tata kelola perusahaan yang baik (kepemilikan asing, kepemilikan institusional) terhadap pengungkapan CSR yang dimoderasi oleh pertumbuhan perusahaan pada perusahaan-perusahaan di Indonesia yang bergerak di bidang energi. Melalui metode purposive sampling, total sampel yang digunakan adalah 22 perusahaan dan data yang digunakan sebanyak 82 data yang dikategorikan sebagai data panel. Teknik analisis data yang digunakan meliputi analisis deskriptif statistik, uji asumsi klasik, dan uji hipotesis dengan menggunakan moderated regression analysis data panel. Hasil penelitian ini menunjukkan bahwa profitabilitas, likuiditas, dan kepemilikan asing secara parsial berpengaruh positif signifikan terhadap pengungkapan tanggung jawab sosial perusahaan yang dimoderasi oleh pertumbuhan pada perusahaan sektor energi di Indonesia. Sementara itu, leverage dan kepemilikan institusional secara parsial tidak berpengaruh positif terhadap pengungkapan tanggung jawab sosial perusahaan dan growth tidak dapat memoderasi hubungan tersebut. Secara simultan, profitabilitas, likuiditas, leverage, kepemilikan asing, dan kepemilikan institusional berpengaruh positif terhadap pengungkapan tanggung jawab sosial perusahaan dengan dimoderasi oleh pertumbuhan. Penelitian ini memberikan tambahan pengetahuan mengenai faktor-faktor yang mempengaruhi CSR di sektor energi yang akan bermanfaat bagi para akademisi dan praktisi dalam pengambilan keputusan untuk memberikan dampak positif yang berkelanjutan terhadap lingkungan, masyarakat, negara dan perusahaan itu sendiri.

Kata Kunci: *Pengungkapan Tanggung Jawab Sosial Perusahaan, Kinerja Keuangan, Tata Kelola Perusahaan yang Baik, Pertumbuhan*

Abstract

Corporate social responsibility (CSR) is an element that important not only for company but largely toward economics, environment, and society. However, in practice CSR Disclosure (CSRD) between companies is different. Thus, this research aims to determine the influence of financial performance (profitability, liquidity, leverage) and good corporate governance (foreign ownership, institutional ownership) on CSR disclosure moderated by growth on Indonesian companies in energy sector.

Through purposive sampling method, the total sample uses is 22 companies while the data uses is 82 data were categorized as panel data. The data analysis techniques including statistic descriptive analysis, classical assumption test, and hypothesis test using moderated regression analysis panel data. The result of this research indicated that profitability, liquidity, and foreign ownership partially has significant positive influence on corporate social responsibility disclosure moderated by growth on energy sector companies in Indonesia. Meanwhile, leverage and institutional ownership partially has no positive influence on corporate social responsibility disclosure and growth could not moderated those relationship. Simultaneously, profitability, liquidity, leverage, foreign ownership, dan institutional ownership influence corporate social responsibility disclosure moderating by growth. This research provide additional knowledge about the factors that influence CSR in energy sector that will be beneficially to academics and practices in decision making to make a sustainable positive impact to the environment, the society, the state and the company itself.

Keywords: *Corporate Social Responsibility Disclosure, Financial Performance, Good Corporate Governance, Growth*

A. Introduction

High dependence and consumption on energy is issue that always increase every year. Based on BAU (Business as Usual) scenario data, the estimation of the national energy needs in 2019 -2050 will continue to increase with the average growth rate of total final energy demand projected to increase by 3.5% every year (BPPT, 2021). However, the increase in national energy consumption has negative impacts which is increasing greenhouse gas emissions (GHG) because the burning of hydrocarbons from fossil energy sources. Specifically, energy sector is the sector that contributes the largest amount of GHG to the world with a percentage of 76% (ICDX, 2021). GHG can trigger a global climate crisis that can endanger nature and humans. Indonesia itself produces greenhouse gases in relatively significant amounts, which contribute 5 percent of the world's total GHG emissions (Wahyudin & Hamza, 2020). Therefore, all levels of Indonesian society especially the energy sector must participate in efforts to prevent these negative impacts by implementing Corporate Social Responsibility (CSR).

According to the World Business Council in Sustainable Development, CSR is a commitment from companies to behave ethically and contribute to sustainable economic development by improving the quality of life of employees and their families, local communities and the wider community (Dinda, 2017). The company required to disclose CSR in financial report and sustainability report. Thus, it will be beneficial for all parties, including the environment, society, the state and the company itself. However, the CSR disclosure in each energy sector company will be different because affected by several factors. Previous studies have tried to examine variables that can be influential factors on the disclosure of a company's

CSR, including financial performance and good corporate governance (GCG).

Financial performance is a formal effort that has been carried out by a company that can measure the company's success in generating profits, so that it can see the prospects, growth, and potential for the company to develop by relying on existing resources (Makatita, 2016). Meanwhile, good corporate governance is a set of concepts that regulate the business control process that runs on an ongoing basis (Yusran, Kristanti, & Aminah, 2018). GCG is used as a balancing mechanism through the alignment of economic and social activities, and between individuals and corporations by focusing on common goals (Setiawan & Muljono, 2021). Hereafter the question is, if the financial performance and GCG changes, does the CSRD will also change significantly.

Financial performance can be represented by profitability, liquidity, and leverage. Various previous studies had tried to examine the effect of profitability, liquidity, and leverage on CSR but are inconsistence one each other. Munsaidah, Andini, & Supriyanto (2016), Ruroh & Latifa (2018), Zulhaimi & Nuraprianti (2019) found that financial performance including profitability, liquidity, and leverage partially had a significant positive effect on social responsibility. Meanwhile, Putri & Christiawan (2014), Yohana & Kadir (2020), Kurniawan, Astuti, & Harimurti (2018) found that financial performance including profitability, liquidity, and leverage partially had no significant positive effect on CSRD.

Moreover, two variables concerning to GCG are institutional ownership and foreign ownership, considering that those variables are able to influence the company and the market. Institutional and foreign investors are dominant investors in Indonesia that not easily influenced or manipulated by management so in making decisions regarding CSRD, institutional and foreign investors will have a better control. Nugroho & Yulianto (2015) found that partially institutional ownership has a positive and significant effect on CSRD. Meanwhile, Yusran, Kristanti, & Aminah (2018) found that institutional ownership has no effect on CSRD. Dewi & Suaryana (2015) found that foreign ownership had a positive influence on CSRD. Otherwise, Sari (2016) found that foreign ownership has no effect on CSRD.

On the other hand, financial performance and GCG can be influenced by other factors so that the relationship between financial performance and CGG on CSR can be moderated by other variables. Unfortunately, research that tries to examine the influence of financial performance and GCG on CSR with a moderation is still limited. Therefore, the other variable that has the potential to be moderating variable is growth because some research shown it has relationship with CSRD, financial performance, and good corporate governance.

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The growth is a variable that attracts attention because every company in the energy sector is certainly trying to maintain their business life. The faster growth rate indicates that the company is expanding (Naryono, 2020). Companies with high growth opportunities are expected to provide high profitability in the future, it is expected that profits will be more persistent, so investors will be more interested in investing to these companies (Aini, 2015). According to Smith & Watts in Naryono (2020), the growth potential of a company will affect the policies that will be taken by the company, such as funding, dividend, and compensation policies. Studies conducted in other countries, found that growth in beverage companies in Nigeria has a strong relationship with financial performance, namely when the growth index increases it will affect the company's ROE (Ijeoma, 2021). Companies that have the potential to grow have a lower debt to equity ratio than companies that do not grow (Naryono, 2020). However, other studies show different things that the growth has no effect on the company financial performance (Jonatan, 2018). Likewise, asset growth had a negative effect on firm performance (Muhamad, 2021).

Furthermore, related to GCG, companies with high growth and transparency will gain more trust from the public. The higher the company's growth, the greater the company's capital structure (Kartini & Arianto, 2007). Thus, companies with high corporate growth are predicted to be better able to prepare larger CSR budgets and are more willing to disclose the CSR implementation to attract more public trust and attention. However, different studies found that growth did not have a positive and significant effect on the quality of corporate governance implementation in companies (Evana, Andriyanto, & Marbun, 2007).

Therefore, those weaknesses are the limited and inconsistency result studies will try to be solved by this study. This research aimed to know the influence of financial performance and good corporate governance on CSR disclosure by moderation of growth in Indonesian energy sector companies. This research will provide additional knowledge about the factors that influence CSRD in the energy sector that will be beneficial to practices and theories.

Profitability is a ratio used to measure the company's ability to earn profits in current period. Profitability shows how much profit that able to achieve by company from each operational activities. Hence it become a concern for companies to keep their profitability on the set level. The higher profitability is better because it shows company has better performance on generate profit. The number of profitability ratio interpreted from the financial statement may influence the disclosure of corporate social responsibility. According to agency theory the higher company's profit, the higher company's tendency to disclose CSR. This research use return on assets (ROA) as a tool of profitability ratio. The

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higher number of ROA ratio, the wider corporate social responsibility disclosure.

Growth affects profitability through the assets owned by the company. Total assets as a measure of growth are considered because the asset value is relatively more stable than the market capitalized value and sales. The company's growth shows how strong the company's position is in the industry. The faster the company's growth, the stronger the company's position in the industry. This will encourage sales and encourage companies to maximize company profitability. Furthermore, companies with high profitability will tend to be more willing to disclose corporate social responsibility.

H1: In energy sector companies with higher growth the profitability has stronger positive influence on corporate social responsibility disclosure than the companies with lower growth.

The liquidity ratio is a ratio used to measure the ability of a company to meet its short-term obligations. This research use current ratio as a tool to calculate the liquidity ratio, the ratio state for current assets dividing by current liabilities. The greater number of current ratio, the higher the company's ability to pay its short-term obligations. Otherwise, the lower number or current ratio show that company has a higher risk in the form of inability to pay the short-term obligations. Agency theory explain that company with a higher current ratio tends to do more CSR and disclose the CSR to give a good signal to the shareholders about company performance.

The relationship between growth, liquidity, and CSRD is also through assets. Growth measurement using assets and liquidity using the current ratio tool (current assets divided by current liabilities). Growth and liquidity can show the company's ability from period to period. Companies with faster growth and are more liquid are better companies because they are able to strengthen their position in the economic system with good ability to pay short-term obligations. In accordance with agency theory, companies with high growth tend to reduce financing from debt sources so that the company becomes more liquid. Meanwhile, companies with low growth tend to use more debt as financing sources. Furthermore, this will affect the extent of the company's CSRDs. The more liquid the company is, the more companies tend to disclose the CSR.

H2: In energy sector companies with higher growth the liquidity has stronger positive influence on corporate social responsibility disclosure than the companies with lower growth.

Leverage is a ratio that shows the extent to which the company is financed with debt. Based on stakeholder theory, the higher the company's leverage ratio, the higher the company's dependence on creditor loans, so the higher the risk of uncollectible debt. This makes creditors carry out stricter supervision of company activities. Based on agency theory, the higher the leverage ratio, the company tends to disclose more information in order to eliminate the doubts of shareholders about the fulfilment of their rights as creditors. The information including the CSR information. Creditors need CSR information to analysing and evaluating the risk.

According to agency theory, company with high growth will use equity for company financing source because it will reduce the agency cost. While company with low growth will use more debt as financing source. It can be seen that the company's growth can affect leverage. The relationship between growth and leverage is negative which means companies with high growth will have lower leverage. Meanwhile, the lower the company's growth, the company's leverage will tend to increase because it is more dependent on creditors. This has an impact on CSRD willingness of the company in order to maintain the trust of stakeholders.

H3: In energy sector companies with higher growth the leverage has stronger positive influence on corporate social responsibility disclosure than the companies with lower growth.

Foreign ownership is one of the stakeholders company that become a concern of the manager and CSRD. Foreign ownership has a supervising power on company so that its evaluation about company activities and performance is important. Moreover foreign ownership generally has more tendency to support the corporate social responsibility and give more attention to what company done to provide benefit to the social and environment. It affect to the bigger foreign ownership composition, the more managers will pay attention to foreign ownership. Manager will disclose the corporate social responsibility activities because manager want the foreign ownership to understand that company doing well on corporate social responsibility. Stakeholders theory explain that the greater foreign ownership of the company encourage the manager to more disclose the corporate social responsibility. Then, according to signalling theory to maintain foreign ownership trust, managers will try to give good signals in the reports. This includes signals about how the company’s growth and the company's social activities. Companies with high growth will more interesting and seen profitable but also has risk of agency problems. To overcome agent problems that may arise, companies with high growth will tend to disclose corporate social responsibility.

H4: In energy sector companies with higher growth the foreign ownership has stronger positive influence on corporate social responsibility disclosure than the companies with lower growth.

Beside the foreign ownership, institutional ownership is also a party that can influence the actions and decisions of the company because of its position not only as the owner of the company but usually also as a representative of the public interest. The institutional ownership is important in supervising the company activities in aim to

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prevent disobedient behaviour of manager such as earning management or agency problems. The institutional ownership may has a strong role in company and it may requires the manager to do more corporate social responsibility to protect the company legitimacy. In stakeholder theory, the higher institutional ownership bring the effect on the bigger pressure for the manager to disclose the corporate social responsibility and it will bigger in company with high growth. A company with high growth have the possibility of better performance in the future make the institutional ownership more demanding it company to disclose corporate social responsibility to give a good signal to the stakeholders. In further it will strengthen the company's legitimacy in society.

H5: In energy sector companies with higher growth the institutional ownership has stronger positive influence on corporate social responsibility disclosure than the companies with lower growth.

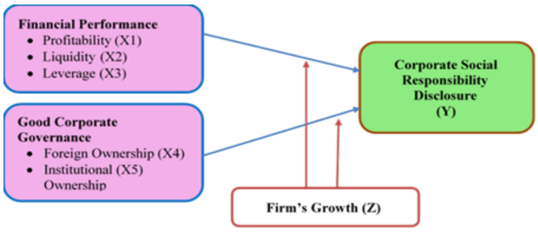

Figure 1. Research Paradigm

B. Research Method

This research is a type of causal research with a quantitative approach. Total population of this study is 66 energy sector companies in Indonesia according to IDX-IC. Through purposive sampling method the total of sample in this research is 22 energy sector companies listed in the Indonesia Stock Exchange. In total 82 data uses in this research which is secondary data from company annual reports for the 2018 – 2021 period that accessed from the official IDX website (www.idx.co.id). The data contain research instruments as follow:

1. CSRD (Y)

$$CSRDI_i = \sum Xy_i / n_i$$

2. Financial Performance

   a. Profitability (X1)

$$ROA = \frac{\text{Earnings after Tax}}{\text{Total Asset}}$$

   b. Liquidity (X2)

$$CR = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

   c. Leverage (X3)

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$$

3. Good Corporate Governance (GCG)

   a. Foreign Ownership (X4)

$$\text{Foreign Ownership} = \frac{\text{Total Number of Share Hold by Foreigner}}{\text{Outstanding Share}}$$

   b. Institutional Ownership (X5)

$$\text{Institutional Ownership} = \frac{\text{Total Number of Share Hold by Institutional}}{\text{Outstanding Share}}$$

4. Growth (Z)

$$\text{Growth} = \frac{\text{Total Asset}_t - \text{Total Asset}_{t\text{-}1x}}{\text{Total Asset}_{t\text{-}1}}$$

The data analysis techniques including statistic descriptive analysis, classical assumption test, and hypothesis test using moderated regression analysis of panel data with helping of Eviews version 9. Descriptive analysis is a statistic used to analyse data by describing or describing the data that has been collected as it is without intending to make conclusions that apply to the public or generalizations (Sugiyono,

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2017). In the descriptive analysis of the data, the mean, mode, median, range and standard deviation are determined and presented in the form of tables and diagrams.
Analysis of the research data using panel data has the advantage that it does not have to conduct the classical assumption (Ajija, 2011). But to find the best result, this research conducting the classical assumptions first namely normality test, multicollinearity test, homoscedasticity test, and autocorrelation test (Edison, 2017). Prayitno (2013) in Edison (2017), these assumptions are intended to avoid bias or invalid data.

Moderated Regression Analysis (MRA) is a special application of linear multiple regression where the regression equation contains elements of interaction (multiplication of two or more independent variables) (Sugiyono, 2017). Panel data analysis is a data analysis that combines time series data and cross section data. In conducting a moderated regression analysis of panel data using Eviews, it is necessary to select one of the three models between Common Effect Model (CEM), Fix Effect Model (FEM), and Random Effect Model (REM). After conducting several tests, namely Chow Test, Hausman Test, and Lagrange Multiplier Test, the best model that used in this research is the random effect model (REM).

The hypothesis test including the partial test (t-test), the coefficient of determination (R2) test, and individual parameter statistical tests (t-test statistics). Refers to the general MRA model on Gujarati & Porter (2009), the model of Moderated Regresion Analyzes (MRA) Panel Data in this research can be formulated as follows:

$$Y= \alpha + \beta 1X1 + \beta 2Z + \beta 3X1{*}Z + \varepsilon \quad (1)$$
$$Y= \alpha + \beta 1X2 + \beta 2Z + \beta 3X2{*}Z + \varepsilon \quad (2)$$
$$Y= \alpha + \beta 1X3 + \beta 2Z + \beta 3X3{*}Z + \varepsilon \quad (3)$$
$$Y= \alpha + \beta 1X4 + \beta 2Z + \beta 3X4{*}Z + \varepsilon \quad (4)$$
$$Y= \alpha + \beta 1X5 + \beta 2Z + \beta 3X5{*}Z + \varepsilon \quad (5)$$

Symbols description:

Y = CSRD
X1 = Profitability
X2 = Liquidity
X3 = Leverage
X4 = Foreign Ownership
X5 = Institutional Ownership
α = Constanta
$\beta 1$ - $\beta 5$ = Regression Coefficient
Z = Growth
ε = Error

C. Results and Discussions

The mean of CSRD is 0.3539 with the standard deviation at 0.1038, the highest CSRD is 0.6732 and the lowest CSRD. Moreover, the mean value of profitability ratio is 0.0402 with standard deviation at 0.2020, the lowest profitability at -1.0126 and the highest profitability at 0.4713. Then, the average liquidity ratio is 2.0218 with standard deviation at 1.5700, the lowest value at 0.0126 and the highest value at 8.2825. Furthermore, the leverage variable has the lowest value of -7.5443, the highest leverage of 28.1671, and average value at

1.1809 with a standard deviation of 3.4062. Otherwise, foreign ownership has the highest value at 0.9887, the lowest value at 0.0001, and average at 0.2531 with a standard deviation of 0.2766. Meanwhile, institutional ownership has average value at 0.5805 with a standard deviation of 0.2697, the lowest value at 0.0102 and the highest value is 0.9916. Moreover, the average energy sector company in Indonesia grew by 0.3183 or 3.183% with a standard deviation of 0.2031. The highest growth is 0.6530 and the lowest growth is -0.4234.

Table 1. Result of MRA

	Prob.	Coef	Adj. R^2	Result
X1	0.0000	1.656008	0.233879	H1: Supported
X2	0.0170	0.174811	0.050863	H2: Supported
X3	0.5254	-0.033053	-0.016860	H3: Not Supported
X4	0.0100	1.148341	0.056130	H4: Supported
X5	0.1743	-0.617673	0.000071	H5: Not Supported

According to the Table 1 the profitability has positive significant influence on CSRD moderating by growth because it has probability value at 0.0000 and coefficient value 1.656008. Therefore, first hypothesis is supported. The fluctuations in profitability and growth in energy sector companies affect the increase of CSRD. Supporting the previous studies, namely the research of Munsaidah, Andini & Supriyanto (2016), Susilo (2016), Zulhaimi & Nuraprianti (2019), Irhami & Diana (2020), the higher company's profitability, the higher company's tendency to disclose CSR but this research provide addition value that in company with higher growth the influence of profitability toward CSRD is stronger than company with lower growth. According to the value of adjusted R-squared at 0.233879, the profitability has influence of 23% on CSRD moderated by growth.

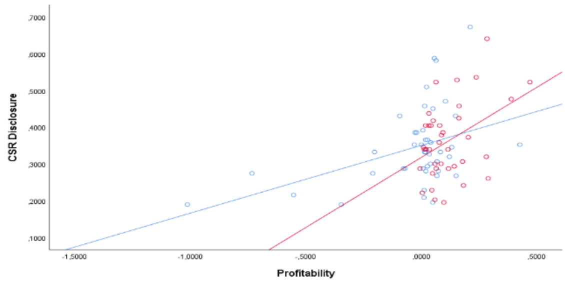

Figure 2. Plot of the Slop 1

This study proves that growth can be a moderating variable that strengthens or weakens profitability in influencing CSRD. The level of growth will determine how strong the relationship between profitability and CSRD in a positive way. Figure 2 shows the slope that indicates the influence of profitability on CSRD in high growth companies is stepper than the low growth companies. This means that the relationship between profitability and CSRD becomes stronger for companies with higher growth. Otherwise, the slope becomes flatter on companies with low growth indicates that the relationship between profitability and CSRD becomes weaker for companies with lower growth. This result is contradicted with research conducted by Pasaribu (2021) which stated that the company's growth

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does not moderate profitability of the transparency of the voluntary disclosure.

In accordance with agency theory, management tries to show good performance by generating good profitability then coupled with the support of good CSR disclosures will indicate that management's performance is transparent and accountable. Accordance with signalling theory, from the company's perspective, this is also a sign that the company has good performance, can generate high profits, is accountable, and has been responsible for the operating impacts on environment, economic, and social. For investors, growth can be one of the considerations in investing because growth can indicate an increase in the company's financial performance which has the potential to obtain high profitability in the future. The company's growth shows how strong the company's position is in the industry theoretically companies with high profitability will tend to be more willing to disclose corporate social responsibility. Therefore, companies with high growth will get more spotlight and will provide more opportunities for profitability and CSRD in the future. Thus the growth of the company can strengthen the relationship between profitability and CSRD.

The result of the study in Table 1 shows that the liquidity has positive significant influence on CSRD moderating by growth because it has probability value at 0.0170 and coefficient value 0.174811. Therefore, second hypothesis is supported. The liquidity can influence the CSRD at 5% accordance to Adjusted R2 value 0.050863 with moderated by growth. This result support Kurniawan, Astuti, & Harimurti (2018), Irhami & Diana (2020) which stated that liquidity has a significant positive effect on CSRD but has novelty which shows that in company with higher growth the influence of liquidity on CSRD is stronger than company with lower growth.

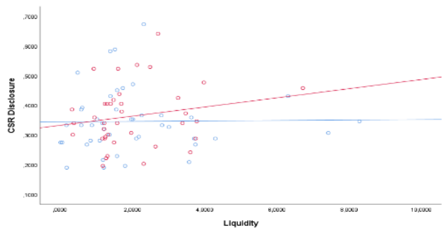

Figure 3. Plot of the Slop 2

Growth can be a moderating variable that strengthens or weakens the influence of liquidity on corporate social responsibility disclosure. The level of growth will influence the relationship between liquidity and CSRD in a positive way. Figure 3 shows the slope that indicates the influence of liquidity on CSRD in high growth companies is stepper than the low growth companies. This means that the relationship between liquidity and CSRD becomes stronger for companies with higher growth. Otherwise, the slope becomes flatter on companies with low growth indicates that the relationship between liquidity and CSRD becomes weaker for companies with lower growth. The growth rate of a company will show the extent to which the company will use debt as a source of financing (Kusumajaya, 2012).

This research result in line with agency theory with state that the management of companies with high liquidity tend to be more willing to disclose CSR activities widely in order to ensure accountability and transparency of management performance so that they can always maintain stakeholder trust. Then, companies with high growth tend to reduce financing from debt sources so that the company becomes more liquid. Meanwhile, companies with low growth tend to use more debt as financing sources and less liquid. The implication companies with faster growth and liquid are able to strengthen their position in the economic system and get more attention from the public. Furthermore, this will affect the extent of the company's CSRDs because theoretically companies with high liquidity will tend to be more willing to disclose corporate social responsibility. That way the company will be more attractive for investors to invest because it can avoid the risk of failing to pay its short-term obligations, is understood as a healthy company and is expected to be able to disclose good CSR in the future. Through it, growth can strengthen the relationship between liquidity and CSRD. This statement support research conducting by Sekarwigati & Effendi (2019) and Naryono (2020).

The results of the study in Table 1 shows that the leverage variable with growth as the moderation does not have a significant influence on CSRD because the probability value is greater than 0.05, which is 0.5254 with coefficient level of -0.033053. Therefore, the third hypothesis is not supported. The relationship is negative and with growth as the moderating variable the level of leverage on energy sector companies is not able to significantly affect the CSRD of energy sector companies with growth moderation. This results are contrary with the results of research conducted by Munsaidah, Andini & Supriyanto (2016), Irhami & Diana (2020), and Sari (2020) which proved that leverage has a positive effect on CSRD. There are at least two reason why the leverage cannot influence CSRD by moderating of growth in this study namely the characteristic and the indicator used.

First, energy sector companies have certain characteristics that are different from previous research subjects (other sectors). The most prominent characteristic of energy sector companies is their production activities that are directly related to energy sources and/or energy materials and their environment. This activity is very striking so that it will continue to receive attention from stakeholders, both shareholders, the community, the government, to environmentalists and the international community. In other words, energy sector companies are included in high profile companies so that they get more attention. Therefore, to continue to gain the trust of stakeholders in the energy sector, companies in the energy sector tend to disclose CSR without considering other factors or conditions, including the company's leverage conditions. Second reason why this result shows different result because previous studies used the GRI 4 indicator in determining the value of a company's CSRD, while this study used the GRI standard considering that GRI 4 was no longer enforced and replaced with the GRI standard which is more in line with the company's current CSRD implementation.

This research is supporting previous research, namely Putri & Christiawan (2014), Susilo (2016), Kurniawan, Astuti, & Harimurti (2018), Yovana & Kadir (2020), Rini, Salim, & Priyono (2020) which have proven that leverage has no effect on CSRD. The results of this study are not in line with agency theory which states that the higher the leverage ratio, the higher the company discloses CSR activities to reduce shareholders' doubts about their risks and rights as creditors. A total of 43 research data showed the symptom that companies with low levels of leverage do not necessarily have low CSRDs and vice versa. Then, growth cannot be a moderating variable that strengthens or weakens leverage in influencing CSRD. This result support the research of Siregar & Wiksuana (2015) and Sekartaji (2017) which states that growth does not have a significant effect on leverage. Therefore, it can be proven that the high and low growth of the company does not affect the high and low leverage of the company so that it is not able to also strengthen or weaken the influence of leverage on CSRD.

The results of the study in Table 1 shows that the foreign ownership variable with growth moderation has a significant effect on CSRD because it has probability value at 0.0100 with a regression coefficient of 1.148341.Therefore, the fourth hypothesis is supported. Foreign ownership can influence CSRD with moderation growth at 5.6% according to Adjusted R2 value of 0.056130.

This result is in line with stakeholder theory which states that the higher the foreign ownership ratio of the company, the more likely it is to disclose CSR activities more broadly. This result support Dewi & Suaryana (2015), Edison (2017), Sari (2020), which prove that foreign ownership has a positive influence on CSRD. Otherwise, contrast by previous research, namely Pradana & Suzan (2016), Urmila & Mertha (2017), Irhami & Diana (2020), which have proven that foreign ownership has no effect on CSRD. The results of research on energy sector companies in Indonesia show that the average value of foreign ownership in 2018-2021 is 0.2531. Then, the data of this study indicate that the large proportion of company ownership by foreign investors affect the level of CSRD. This is indicated by the test results obtained that companies with low levels of foreign ownership have low levels of CSRD and companies with high levels of foreign ownership have high levels of CSRD. There are 42 data showing these symptoms. The foreign ownership value shows that on average, companies in the Indonesian energy sector 2018-2021 are owned by foreign investors as much as 25.31%. In this percentages, foreign

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ownership can influence company decision in CSRD.

Foreign ownership plays a high role in CSRD considering the principle of linkage of managed funds from abroad as one of the principles of political economy, namely core-periphery which explains that dependence on managed funds from abroad dominates widely (Sari A. P., 2020). In general, foreign ownership in Indonesia participate in giving attention on social issues such as human rights, education, labor, and the environment that must disclose in annual report (Dewi & Suaryana, 2015). Foreign parties who invest their shares in energy sector companies aware for all aspects including environmental and social aspects as an important issue that must disclose by company. In that way, as a multinational companies, companies in energy sector tend to pay attention on CSR in order to maintain the legitimacy and reputation of the company (Pradana & Suzan, 2016). These statement relate to legitimacy theory and supports stakeholder theory which states that companies run not only to provide material benefits to stakeholders.

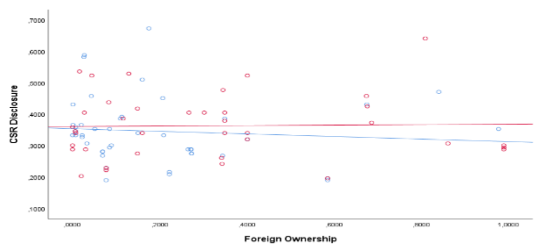

Figure 4. Plot of the Slop 3

Moreover, growth as moderating variable able to strengthen or weakens the influence of foreign ownership on CSRD. The level of growth will determine how strong the relationship between foreign ownership and CSRD. Figure 4 shows the slope that indicates the influence of foreign ownership on CSRD in high growth companies is more stable than the low growth companies. The slope of low growth companies has a tendency to going down. This indicates that the relationship between foreign ownership and CSRD becomes weaker for companies with lower growth. Meanwhile in companies with higher growth, the increase in foreign ownership are not followed by the increase of the CSRD which shown relatively stable. This research provide result that the influence of foreign ownership in companies with lower growth are weaker on CSRD. This result is contradicted with research conducted by Pasaribu (2021) which stated that the company's growth does not moderate foreign ownership of the transparency of the voluntary disclosure.

The Influence of Institutional Ownership on CSRD Moderated by Growth

The results of the study in Table 1 shows that the institutional ownership variable with growth moderation does not have a significant effect on CSRD because the probability value is 0.1743 and the regression coefficient is -0.617673. Therefore, the fifth hypothesis which states that institutional ownership has a positive influence on CSRD by moderating growth in energy sector companies in Indonesia is not supported. This research support previous research, namely Pradana & Suzan (2016), Yusran, Kristanti, & Aminah (2018), Darma (2019), Irhami & Diana (2020), which have proven that institutional ownership has no effect on CSRD. However, this result is not in line with the stakeholder theory which states that the higher the institutional ownership ratio of the company, the more CSR activities disclosed by the company and contradicts with the previous study of Edison's research (2017) which proves that institutional ownership has a positive influence on CSRD. There are at least two reason why the institutional ownership cannot influence CSRD by moderating of growth in this study namely the characteristic and the indicator used.

First, energy sector companies have certain characteristics that are different from previous research subjects (other sectors). The most prominent characteristic of energy sector companies is their production activities that are directly related to energy sources and/or energy materials and their environment. This activity is very striking so that it will continue to receive attention from stakeholders, both shareholders, the community, the government, to environmentalists and the international community. In other words, energy sector companies are included in high profile companies so that they get more attention. Therefore, to continue to gain the trust of stakeholders, energy sector companies tend to disclose CSR without need to encourage by institutional ownership first. Second, the reason why this result shows different result because previous studies used the GRI 4 indicator in determining the value of a company's CSRD, while this study used the GRI standard considering that GRI 4 was no longer enforced and replaced with the GRI standard which is more in line with the company's current CSRD implementation.

The results of research on energy sector companies in Indonesia show that the average institutional ownership value in 2018-2021 is 0.5805. The institutional ownership value shows that on average, companies in the Indonesian energy sector are owned by institutions as much as 58.05%. The large proportion of ownership is expected to encourage manager supervision, including in wider CSRDs. But in fact, based on the data analysis of this study, it shows that the large proportion of company ownership by the institution does not affect the level of CSRD. This is indicated by the test results obtained that companies with low levels of institutional ownership do not necessarily have low CSRDs, as well as companies with high levels of institutional ownership do not necessarily have high levels of institutional ownership. There are 39 data showing these symptoms. One of them is proven by Indo Tambangraya Megah Tbk. in 2019, those who have low institutional ownership (<0.5805) are 0.0689 but have a high CSRD value (>0.35) which are 0.4706. On the other hand Mitra Energi Persada Tbk. in 2018 it has high institutional ownership of 0.8765 but has the lowest level of CSRD of 0.1895. The size of the proportion of institutional

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ownership does not affect the extent of CSRD.

Then, growth cannot be a moderating variable that strengthens or weakens the influence of institutional ownership on CRS disclosure. The level of the company's growth will not influence the relation between institutional ownership and CSRD. Companies that experience high growth do not necessarily have a high level of institutional ownership. Likewise, companies with low growth do not necessarily have a low level of institutional ownership. There are 42 data showing these symptoms. One of them is Golden Energy Mines Tbk. in 2019 has a high growth (>3%) which is 11.35% but has the lowest institutional ownership of 0.0102 (<2.02). Meanwhile, Ratu Prabu Energi Tbk in 2020 despite having the lowest growth of –0.4234 or minus 42.34%, the company is owned by institutional as much as 70.53%.

D. Closing

Based on the test results and discussion, the conclusion of this research is profitability, liquidity, and foreign ownership partially has a significant positive influence on corporate social responsibility disclosure with growth moderation. Otherwise, leverage and institutional ownership partially has no significant positive influence on corporate social responsibility disclosure. Growth cannot be moderating variable that strengthen or weakens the relationship between leverage and institutional ownership on CSRD. In addition simultaneously, profitability, liquidity, leverage, foreign ownership, dan institutional ownership influence corporate social responsibility disclosure on energy sector companies in Indonesia by moderating of growth.

This research has limitation on only examines the variable used, limited number of sample, and there some analysis of CSRD item that was carried out subjectively by researchers by reading the annual reports because the company did not used GRI Standard. Future research is expected to use a larger number of samples to examine the effect of financial performance and GCG on Corporate Social Responsibility either by increasing the number of populations or by increasing the range of the research period. Further research can also add other variables as moderating variables in testing the effect of financial performance and GCG on Corporate Social Responsibility.

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