DETERMINATION OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON CONSUMER GOODS COMPANIES IN INDONESIA DURING THE COVID-19 PANDEMIC

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ABSTRACT

This study aims to examine the effect of Profitabilitas, Leverage dan Company Size Corporate social Responsibility Disclosure (CSR) in manufacturing companies in the consumer goods sector. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2020. The sample determination uses purposive sampling method, which then obtains a sample of 43 companies. The data analysis technique uses multiple linear regression. The results of this study indicate that Profitability and Leverage have a positive and significant effect on the Corporate Social Responsibility Disclosure. Company size has no effect on the Corporate Social Responsibility Disclosure. The conclusion of this study is that the Corporate Social Responsibility Disclosure is strongly influenced by the financial health of the company, not the size of the company because both are in the spotlight of the community due to the company's activities.

Keywords: *Profitability, Leverage, Company Size, Corporate Social Responsibility Disclosur*

INTRODUCTION

The company's operational activities can have a positive impact such as meeting the needs of the community. In addition, it also has a negative impact on society and the environment directly or indirectly, such as safety for workers, product contamination, pollution, and waste. Negative impacts on the environment can affect companies in carrying out social responsibility towards society and the environment. One of the pollution incidents that occurred was caused by PT Rayon Utama Makmur (PT RUM).

In 2017, PT RUM received a rejection from the community when it was going to test the company's operational activities, not only that but PT RUM was also sanctioned by the Sukoharjo Environmental Service (DLH) to stop production for 18 months in February 2018. However, Textile waste produced by PT RUM again pollutes the Gupit River, which is passed by PT RUM's sewage pipe. Kali Gupit River is a river whose water flows into the Bengawan Solo River. The Bengawan Solo River is one of the strategic water sources. With the pollution carried out by PT RUM, it is difficult for the community and farmers to get clean water. In this case, PT RUM tried to neutralize waste pollution by installing a waste air neutralizer, three wet scrubber and an H2SO4 Recovery tool as the company's responsibility.

The problem of social and environmental management is an aspect that must be considered in the company's operational activities, in this way the company gains the trust of stakeholders. Factors that influence CSR, among others, are: profitability, leverage, company size, audit committee, independent commissioner. In this study, only 3 (three) factors will be discussed by the researcher, namely profitability, leverage and firm size.

According to Mardhianti and Riduwan (2021), Nayyiroh and Subadriah (2021) that profitability has no effect on Corporate Social Responsibility (CSR). It is explained that when the company has a high level of profit, the company considers it unnecessary to disclose CSR in the financial statements because the company has obtained financial.

According to Amilia and Andayani (2019), Nayyiroh and Subadriah (2021) that leverage has no effect on CSR. It is explained that companies with leverage in disclosing information in financial statements are not complete, including CSR disclosure information. According to Mardianthi and Riduwan (2021), Yanti et al (2021) that company size has no effect on CSR. It was explained that companies need to consider the costs and benefits before disclosing CSR information.

In this research, the Sembiring index is used which consists of environment, energy, labor health and safety, other matters concerning labor, products, community involvement and the general public. Based on the above background, the authors are interested in conducting research with the title “Determination Of Corporate Social Responsibility Disclosure On Consumer Goods Companies In Indonesia During The Covid-19 Pandemic”

THEORETICAL BASIS

Theory stakeholder that the company is not an entity that only operates for its interests, but also provides benefits to stakeholders such as shareholders, creditors, consumers, communities, suppliers and others. According to Wiyarna and Sudana (2019) that stakeholder used to explain the relationship between the community and the company, this is because the company also needs to consider the interests of all parties or communities affected by the company's operational activities and in the company making decisions.theory stakeholder, increasing corporate social responsibility disclosure will be more attractive to the public and investors.

Corporate social responsibility disclosure there are several influencing factors such as profitability, leverage, company size, size of the board of directors, independent commissioners, audit committee. In this study, only 3 (three) factors were used, namely profitability, leverage and firm size. Profitability has a relationship with stakeholder because profitability is a factor that makes companies have policies in disclosing their corporate social responsibility activities to stakeholders. Leverage theory stakeholder because in principle leverage , the greater the company's responsibility to creditors (stakeholders) will be. While the size of the company also has a relationship with corporate social responsibility theory stakeholder, that large companies tend to be more noticed by the community (stakeholders).

HYPOTHESES

1. Profitability to the Corporate Social Responsibility Disclosure

Research conducted by Imelda and Nur (2021) proves that profitability has a positive and significant influence on Corporate Social Responsibility Díclosure. This means that the higher the level of corporate profitability, the more the Corporate Social Responsibility disclosure by the company.

H1: Profitability has a positive effect on the Corporate Social Responsibility Disclosure

2. Leverage to the Corporate Social Responsibility Disclosure

Research conducted by Yanti, et al (2021) proves that leverage has a positive and significant effect on Corporate Social Responsibility. Companies with high leverage have an obligation to disclose Corporate Social Responsibility wider leverage . The wider the disclosure, the more information investors will get, this is done so that investors can gain confidence in ensuring their rights as creditors.

H2: Leverage has a positive effect on the Corporate Social Responsibility Disclosure

3. Company Size to the Corporate Social Responsibility Disclosure

Research conducted by Silvi and Andayani (2019) which proves that Company Size has a positive and significant influence on Corporate Social Responsibility Díclosure. This means that the higher the size of the company, the wider the company to disclose social responsibility.

H3: Company size has a positive effect on the Corporate Social Responsibility (CSR) Disclosure

METHOD

The research method in this study uses quantitative research methods. The population in this study were 62 consumer goods sector companies listed on the Indonesia Stock Exchange for the period 2020. The sample in this study was 43 consumer goods sector companies listed on the Indonesia Stock Exchange for the 2020 period, the sample in this study was taken by the purpositive sampling method, and using multiple linear regression.

RESULTS AND DISCUSSION

1. Normality Test

Based on the results of the normality test, it shows that the value of Asymp.sig. (2- tailed) or significant level indicates a number above 0.05 or 0.977 > 0.05. So it can be concluded that the data is normally distributed and the regression model can be used as the next test.

2. Multicollinearity Test

Based on the results of the multicollinearity test that all VIF values < 10.00. This can be proven by the profitability variable (X1) VIF value of 1.001, leverage (X2) VIF value of 1.0468 and firm size variable (X3) VIF value of 1.048. Judging from the tolerance value > 0.10, the profitability is 0.999, the leverage is 0.954 and the company size is 0.954. Thus it can be said that between independent variables there is no multicollinearity.

3. Heteroscedasticity Test

Based on the heteroscedasticity test, the significance value (sig) of the profitability variable (X1) is 0.054, for the leverage variable (X2) the significance value (sig) is 0.061, and for the firm size variable (X3) the significance value (sig) is 0.339. Of all these variables have a value greater than 0.05, it can be concluded that in this study there was no heteroscedasticity.

4. Multiple Linear Regression

Test The equation of the multiple linear regression analysis test in this study is as follows:

$$Y = 0.0002 + 0.3476\ X1 + 0.2171\ X2 + 0.0078\ X3 + e$$

states that if the independent variable is considered constant, then the dependent variable is considered to have the same value as the constant . So, based on the results above, if profitability, leverage and company size are 0, it will increase the corporate social responsibility disclosure by 0.0002.

5. T-Test

Table 1

T-TestResult

Model	B	StdError	Beta	t	Sig
(Cons.)	.0002	.1873		.0014	.9988
Profit.	.3476	.1700	.2878	2.0437	.0477
Lev.	.2171	.1056	.2967	2.0590	.0462
Uk.Per.	.0078	.0065	.1710	1.1868	.2424

Based on the results of the t test in the table above, it is concluded that:

1) Profitability variable (X1) has a t count of 2.0437 with a significance of 0.0477, which is smaller than the significance level used (α = 0.05), then the first hypothesis (H1) is accepted. . The results of this study have a significant positive effect on the Corporate Social Responsibility Disclosure.

2) The leverage variable (X2) has a t count of 2.0590 with a significance of 0.0462, which is smaller than the significance level used (α = 0.05), then the first hypothesis (H1) is accepted. The results of this study have a positive and significant effect on the

Corporate Social Responsibility Disclosure.

3) Firm Size Variable (X3) has a t count of 1.1868 with a significance of 0.2424, which is greater than the significance level used ($\alpha = 0.05$), then the first hypothesis (H1) is rejected. The results of this study have no effect on the Corporate Social Responsibility Disclosure.

DISCUSSION

1. Profitability to the Corporate Social Responsibility Disclosure

The results of testing the first hypothesis (H1) indicate that the Profitability variable measured using ROA has a positive and significant effect on the disclosure of Corporate Social Responsibility. Therefore, the results of this study prove that in line with the hypothesis, profitability has a positive effect on the corporate social responsibility disclosure. Thus, the first hypothesis which states that profitability has a significant positive effect on the corporate social responsibility disclosure is accepted. Thus stating that the size of a company is very influential on the corporate social responsibility disclosure so that the profits earned by the company are prioritized for the interests of stakeholders and the use of high social activities. The research that has been done supports the stakeholder theory that the stakeholder focuses on the interaction between the company and the community.

The results of this study are in line with the results of research conducted by Purba and Chandradewi (2019) that profitability has a positive and significant effect on the corporate social responsibility disclosure. Then another study that supports the results of this study was conducted by Della and Laily (2021) which stated that profitability had a positive and significant effect on the corporate social responsibility disclosure. Companies that are able to generate high profits will certainly find it easier to provide a special budget for the disclosure of corporate social responsibility compared to companies with lower profits. On the other hand, if there is an increase in profitability, the company will increase and expand the corporate social responsibility disclosure information, the higher the management effort in fulfilling its responsibilities by obtaining profits, it can provide flexibility for company management to carry out CSR which is considered a strategic step to have a positive effect on the company. company and can maintain good relations with other stakeholders.

2. Leverage to the Corporate Social Responsibility Disclosure

The results of testing the first hypothesis (H1) indicate that the leverage measured by using DAR has a positive effect on the Corporate Social Responsibility disclosure. This proves from the results of this study that it is in line with the hypothesis which states that leverage has a positive effect on the corporate social responsibility disclosure. Thus, the second hypothesis which states that leverage has a significant positive effect on the corporate social responsibility disclosure is accepted. This shows that the level of leverage affects the corporate social responsibility disclosure. Therefore, companies with a high level of leveragewill reveal more corporate social information.

Variable leverage has a positive and significant effect. Other studies that support the results of this study have also been carried out by Della and Laily (2021) which state that leverage has a positive and significant effect on the corporate social responsibility disclosure. The higher leverage , the company will have a wider obligation to disclose CSR than companies with low leverage . The wider the corporate social responsibility disclosure, the more information investors will get, so that investors will gain confidence in ensuring their rights as creditors.

3. Company Size to the Corporate Social Responsibility Disclosure

The results of testing the third hypothesis (H3) indicate that the firm size variable has no effect on the Corporate Social Responsibility Disclosure. This proves that the results of this study are not in line with the hypothesis which states that firm size positive effect on the corporate social responsibility disclosure. Thus, the third hypothesis which states that firm size has a significant positive effect on the disclosure of corporate social responsibility is rejected. The larger the company, the less social responsibility disclosure. From the results of the tests that have been carried out, it can be seen that the firm size variable has no effect on the corporate social responsibility disclosure. This means that large companies that are valued with large asset levels in this study, do not disclose more about corporate social responsibility.

The results of this study are in line with the results of research conducted by Maharani and Pertiwi (2022) which states that company size does not affect the corporate social responsibility disclosure. The size of the company, both large and small, both become the attention or spotlight of the community which refers to the consequences of the impact of operational activities that have been caused by the company, so that the size of the company will always have the same obligation in disclosing corporate social responsibility. Company size calculated by total assets indicates that regardless of the assets owned by a company, it will not affect the amount or amount of corporate social responsibility that is carried out.

CONCLUSION

Based on the results of data analysis and previous hypothesis testing, this research can be concluded as follows:

Profitability variable has a positive and significant effect on the corporate social responsibility disclosure. That the size of a company is very influential on the corporate social responsibility disclosure so that the profits earned by the company are prioritized for the interests of stakeholders and the use of high social activities. The research that has been done supports the stakeholder theory that the stakeholder focuses on the interaction between the company and the community.

Leverage variable has a positive and significant effect on the corporate social responsibility disclosure. Shows that the high and low level of leverage affects the corporate social responsibility disclosure. Therefore, companies with a high level of leveragewill reveal more corporate social information.

Firm size variable has no effect on corporate social responsibility. Large companies that are assessed with a large level of assets in this study, do not disclose more about corporate social responsibility.

SUGGESTION

For further researchers, it is expected to add other independent variables that have not been included in this study in order to provide more accurate results, it is hoped that they can add the number of periods and use more samples so that the results are more accurate.

For the government and companies to be able to reaffirm about Corporate Social Responsibility (CSR) to be applied to the community. The government also needs to reaffirm to the supervisory body.

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