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IMPACT OF FIRM CHARACTERISTICS ON CSR DISCLOSURE: EVIDENCE FROM INDONESIA STOCK EXCHANGE

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Abstract: *This study aims to obtain empirical evidence about the determinants of disclosure of corporate social responsibility (CSR). Factors tested their effects on CSR disclosure in this study are Good corporate governance, profitability, financial leverage, firm size, foreign ownership, and company profiles. The samples are manufacturing companies listed on the Indonesia Stock Exchange in 2008-2010. The statistical method used to test the hypotheses is multiple regression models. Before testing the hypothesis, performed a number of descriptive testing, classical assumptions and hypotheses. The results show that firm size and profile of the company proved a significant effect on CSR disclosure. While good corporate governance, profitability, leverage, and foreign ownership did not prove significant effect of CSR disclosure.*

Key words: *GCG, CSR disclosure, Company profile, foreign ownership.*

1. INTRODUCTION

Today the public is increasingly aware of the social impacts caused by the company in carrying out its activities in order to achieve maximum profit. Therefore, the community is demanding that the company pay attention to social impacts caused and are working to resolve. Disclosure of corporate social responsibility as a new management concept is transparency of information disclosed not only the financial information of the company, but the company is also expected to disclose information to describe the social and environmental impacts resulting from the company's activities. Disclosure of corporate social responsibility is often also referred to as social or corporate social disclosure reporting by Mathews (1995) and corporate social responsibility (CSR) by Hackston and Milne (1996). CSR is the process of communicating the social and environmental impact of economic activities on the organization of special interest groups and the community as a whole.

CSR is a logical consequence of the implementation of the concept of Good Corporate Governance (GCG). One of the principles of good corporate governance is

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a need to consider the interests of its stakeholders, in accordance with existing rules and active cooperation with stakeholders for the long-term viability of the company. Also according to Main (2007) governance structure of the company can be used as an infrastructure supporting the practice and disclosure of CSR in Indonesia.

The research was motivated by the low quality and quantity of disclosure and practice on corporate social responsibility in Indonesia when compared with other countries (www.csrindonesia.com). In addition, research is important because according to Utama (2007), that the company's corporate governance will determine the direction and policies of the company, including its CSR reporting. So the results of this study are expected to contribute in the disclosure of social and environmental responsibility in the company's annual report manufacturing companies in Indonesia.

Except for GCG, there are other factors that proved to be influential on the disclosure of CSR such as corporate profile and firm size (Hasibuan, 2001),Another characteristic is the profitability and financial leverage, where profitability is an overview of the company's operating performance. Sembiring (2005) states that financial leverage can show how the balance between the desire debtholders company with social responsibility. Purpose of this study was to examine the influence of corporate governance and firm characteristics of the broad CSR disclosure. Characteristics of companies that tested the impact on CSR disclosure are extensive foreign ownership, corporate profile, firm size, profitability, and leverage.

2. LITERATURE REVIEW

Corporate social responsibility is a concept that is growing rapidly, so that the definition could also change to adjust its development. According to the World Business Council for Sustainable Development (WBCSD) defines CSR or corporate social responsibility, as follows:

> *"Continuing commitment by business to behave ethically and Contribute in economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."*

Joseph (2007) state that CSR can be defined as a company's responsibility to its stakeholders to behave ethically, minimizing negative impacts and maximize positive impacts include the economic, social and environmental (triple bottom line) in order to achieve sustainable development goals. CSR is about the commitment of business to continue to act ethically, operating legally and contribute to economic improvement, along with improved quality of life of employees and their families as well as improving the quality of the local community and society more broadly.

CSR practices can not be reported in the financial statements. Therefore, the company will undertake social disclosure in order to build corporate image and reduce the information asymmetry between owners and management.

2.1. Good Corporate Governance and CSR Disclosure

Gunarsih (2003:156) state that corporate governance is necessary to control the behavior of corporate managers to take action not only benefit themselves, but also the beneficial owner of the company, or in other words to equate the interests of the owners of the company with the management company. Companies that implement corporate governance are more receptive to the need and obligation to implement CSR as both activities are based on the same understanding.

Corporate governance concerns corporate responsibility to the other parties concerned, especially the economic activity and all its effects, while CSR is a company's activities are organized to raise the level of welfare of the people outside the main activity of the company. According Zakarsyi (2008) both activities are equally aimed at optimizing shareholder value but still consider other stakeholders. Therefore, companies need to develop a policy to guide the implementation of CSR.All of these things were not done properly if the company did not implement good governance corporate. Based on these arguments, the hypothesis proposed in this study are as follows:

$H_{1:}$ Good corporate governance has positive influence on disclosure of corporate social responsibility.

2.2. Profitablity and CSR Disclosure

Belkaoui and Karpik (1989) says that the concern for the community (social) requires management to make the company become profitable (ismail, 2015; Ismail & Ghozali, 2015; Meutia & Ismail, 2015,; Meutia, 2015). Meanwhile, according to Vence (1975) in Belkaoui and Karpik (1989) has the opposite view that corporate social disclosure it provides a competitive disadvantage (competitive disadvantage) to the company, because the company had to spend extra cost to serve targeted social disclose. One purpose of the disclosure is to provide a signal to investors about the company's ability. In company with a low profit, then the signal is necessary in order to maintain investor confidence. But with meningkatknya profitability, then the signal is becoming less important because information about the company is able to reflect the earnings capacity of the company. Thus, the higher the profitability of CSR disclosure will decrease. Based on these arguments, the hypothesis proposed in this study are as follows:

H_2: Profitablity negatively affect the disclosure of corporate social responsibility.

2.3. Financial Leverage and Disclosure of CSR

By Belkaoui and Karpik (1989) and Waryanti (2009) describes how the company's leverage ratio excess competencies of debtholders compared with powers shareholders. The company's dependence on debt to finance its operations is reflected in the level of leverage. Accordingly, this leverage also reflects the company's financial risks. Based on agency theory, the level of leverage has a negative perngaruh disclosure of social responsibility. According Belkaoui and Karpik (1989), the higher the leverage the greater the possibility of agreement violated the loan agreement, so the company will try to report higher profits now that can be done by reducing costs, including costs to disclose social information.

The results Belkaoui and Karpik (1989) and Waryanti (2009) also found that the degree of leverage can negatively affect the company's wider corporate social disclosure. Belkaoui and Karpik (1989) explains that the decision to express social information will follow an expenditure for lower income disclosure. In accordance with agency theory dining management company with a high level of leverage would lessen social responsibility disclosure made in order not to be the spotlight of the debt holder. Based on the description, the hypothesis proposed in this study are as follows:

H_3: Financial leverage negatively affect the disclosure of corporate social responsibility.

2.4. FIRM Size and CSR Disclosure

Firm size is variable that is widely used to describe the social responsibility disclosure in the annual report. Belkaoui and Karpik (1989), Hackston and Milne (1996), Sembiring (2005), Rosmasita (2007), Machmud and Djakman (2008), and Puspitasari (2009) found results that significantly influence the size of the company's wider social responsibility disclosure. Within the framework of agency theory, if the size of the larger companies, the agency costs are also incurred greater sehinnga to reduce agency costs, the company will likely disclose more extensive information. In addition, according to Sembiring (2005), larger companies will get more attention from the public. Therefore, greater disclosure is a way to reduce the political costs as a form of corporate social responsibility. Based on the argument, then the hypothesis proposed in this study are as follows:

H_4: Firm size positively to disclosure of corporate social responsibility.

2.5. Foreign Ownership and CSR Disclosure

According to Xiao et. al., (2004) firms with foreign ownership are more often face the problem of information asymmetry due to geographic barriers and language reasons (space and language). Therefore, companies with large foreign ownership will be encouraged to report or disclose information voluntarily and wider. In addition, companies that have contracts with foreign investors expected to be more concerned about disclosure practices and corporate social responsibility (CSR).According to Susanto (1992), companies with foreign ownership tend to provide greater disclosure than not, among other things due to several reasons: First, foreign companies get better training in accounting from the parent company abroad. Second, foreign companies especially in Europe and America longer recognize the concept and practice of CSR disclosure.

Research Tanimoto and Suzuki (2005) in view of the widespread adoption of the GRI (Global Reporting Initiative) in the statement of social responsibility of public companies in Japan, proving that foreign ownership of public companies in Japan can be a motivating factor for the adoption of GRI disclosure. Based on the description, the study hypothesize as follows:

H_5: Foreign ownership has a positive influence on disclosure of corporate social responsibility.

2.6. Profile Firm and CSR Disclosure

Preston (1997) in Hackston and Milne (1996) stated that the company's economic activities that modify the environment, such as industrial, mining, perhaps more revealing information about their environmental impact compared to other types of industry firms. Patten (1991). Identify the oil industry, chemical industry, and forest-related industries and as a high-profile paper. Dierkes and Preston (1977) in Hackston and Milne (1996) states ekstratif industry is evident as high-profile companies.Roberts (1992) stated the automotive, airline, and oil industries as high-profile, and food, health and personal products, hotels, and equipment and household products as a low-profile. Hackston and Milne (1996) in addition to high-profile categories that have been added to the above researchers added agriculture, liquor and tobacco, and media and communications as a high-profile.

Research related to the company profile supports the most high-profile industry reveals information about the social responsibility of the industry more low-profile. Research supporting the relationship between other Hackston and Milne (1996), Utomo (2000), Kokubuet. al., (2001), Henny and Murtanto (2001) and Hasibuan (2001), this study will try to re-examine the influence of the company profile to the practice of corporate social responsibility disclosure stating the following hypothesis:

H_6: The company has a high-profile corporate social responsibility disclosure is greater than the company's low-profile.

3. THE METHODOLOGY AND MODEL

3.1. Population and Sample

The population is a manufacturing company listed on the Indonesia Stock Exchange (BEI) in 2008 up to 2010. Reason manufacturing company was selected because most manufacturing companies listed on the Indonesia Stock Exchange (IDX). Manufacturing companies is also very close interaction with the environment, especially due to the waste generated in the production process from raw materials into finished goods. Sampling using purposive sampling method. The criteria used in determining the sample includes: (1) Manufacturing companies listed on the Indonesia Stock Exchange in 2008 until 2010. (2)Manufacturing companies that use the rupiah in the financial statements. (3) Manufacturing companies that are not doing mergers and acquisitions from 2008 to 2010. (4) Manufacturing company that publishes annual report on the Indonesia Stock Exchange for each year of research and reporting CSR items in it.

3.2. Operationalization of Variables

3.2.1. CSR Disclosure

According to the Hackston and Milne (2005:381), the disclosure of CSR is the process of communicating the social and environmental impact of economic activities on the organization of special interest groups and the community as a whole. While the operational definition of social disclosure applied in this study is the number of social disclosure items disclosed in the statement issued by the company's knowledge. CSR disclosure variable in this study was calculated by the scoring.

The scoring is done by looking corporate social disclosure in seven categories mentioned by Hackston and Milne according to GRI, namely: environment, energy, health and labor safety, others on labor, product, and general community involvement. The seven categories are divided into 90 items of disclosure. According Sembiring (2005:383), berdasrkan Bapepam regulations. VIII.G.2 on the annual report, there were 12 items of 90 items that are not appropriate disclosure remedy applied to the conditions in Indonesia, appropriate adjustments by eliminating 12 items such disclosure, so the remaining 78 items in total disclosure, which can be viewed full in appendix 2. If the item disclosure in the annual report that the company was given a score of 1, and if the item is no disclosure in the annual report that the company was given a score of 0. Furthermore, social disclosure score each firm summed and calculated the value of the index.

3.2.2. Good Corporate Governance

Good corporate governance in this study will be measured by using a corporate governance index, which was published by agencies in Indonesia, namely CG IICD in 2008.

3.2.3. Profitability

Profitability is a proxy that describes a company's ability to generate earnings. In this study, profitability is represented by Return on Assets (ROA) is calculated by comparing net income to total assets according to Spiceland, Sepe, Tomassini (2004:249).

3.2.4. Leverage

Is a proxy that describes the level of management of the company's financial resources as measured by Debt to Equity Ratio (DER) by comparing the Total Debt toTotal Equity companies as used by Erich A. Helfert (2001:130)

3.2.5. Firm Size

In this study, firm size is measured by calculating the log of the total net sales of the company. The use of log aims to shrink the value of sales in a balanced way, so that when the data management not to cause trouble.

3.2.6. Foreign Ownership

Foreign ownership is the number of shares owned by foreigners (foreign) by both individuals and institutions on the shares of companies in Indonesia. The amount of foreign ownership is measured from the ratio (%) the number of shares owned by foreigners to total shares outstanding. Foreign ownership in this study using the percentage of foreign ownership ratio.

3.2.7. Profile firm

Company profile is measured using dummy variables to classify high-profile and low-profile. High-profile was given a value of 1 while the low profile will be assigned a value of 0. According Hasibuan (2001) in Sembiring (2005), a company that includes high-profile company is engaged in: petroleum, and mining, chemical, wood, paper, automotive, agribusiness, tobacco products, food and beverage, media and communications, health, transportation, and tourism. While companies that include low-profile company is covering the fields of construction, finance, and banking, medical equipment suppliers, retailers, textile and textile products, personal products, and household products.

3.3. Data Analysis Techniques

The data used in this study is secondary data. Secondary data is data that has been processed previously. In this study, the data required in the form of annual reports (annual report) that the company has published the full year 2008-2010. Data were also obtained from the website www.idx.co.id , IICD, and the company's official website. Literature or literature through textbooks, scientific journals, and other written sources relating to the information needed, it is also used as a source of data collection and basic theory.

To test this hypothesis in this study used multiple regression analysis. The equation to test the overall hypothesis of this study are as follows:

$$CSRDI = \alpha + \beta_1 \text{ GCG} + \beta_2 \text{ PROFIT} + \beta_3 \text{ LEVR} + \beta_4 \text{ SIZE} + \beta_5 \text{ FOREIGN} + \beta_6 \text{ PROFILE} + e$$

Description:

CSRDI = CSR Disclosure Index calculated using the method of content analysis. By giving a value of 1 for the conduct disclosure and a value of 0 which does not do disclosure.

α = constant.

= Good Corporate Governance GCG, measured using an index based agency IICD CG.

PROFIT = Profitability, measured by ROA firms.

LEVR = Leverage, measured by the debt-equity ratio of the company.

SIZE = Firm Size, measured by the value of the company's net sales in the log.

FOREIGN = Foreign Ownership, dikur by looking at the amount of foreign ownership that exist within the company.

PROFILE = Profile Company, measured by a dummy variable, where the high-profile company is given the number 1, while the low-profile company is given the number 0.

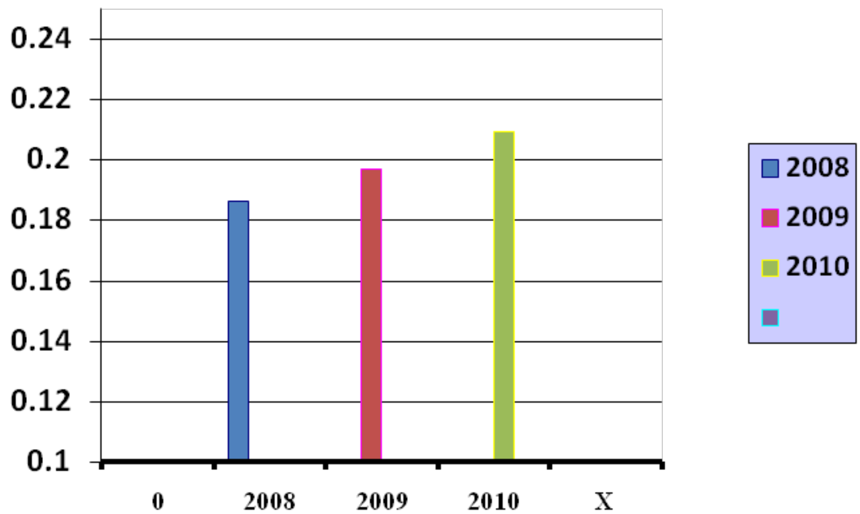
e = Error.

4. ANALYSIS AND DISCUSSION

4.1. Object Research Overview

Based on the sample selection criteria, there are 40 companies acquired included a sample that can be used in this study. The study was conducted for 3 years so a total of 120 companies.

Figure 1: Graphs increase in the average annual CSR



Of all samples were obtained, an average annual increase of CSR disclosure. In 2008, the company revealed that the most socially responsible Holcim Indonesia Tbk with the disclosure or the disclosure of as many as 38 with a percentage of 48.72% is contained in the annual report, followed by the United Tractors Tbk to the disclosure or the disclosure of as much as 27 percentage 34.62%. While the least revealing social responsibility is Myoh Technology Limited and Indo KordsaTbkdiamana each disclosure reveals only 4 or 5.13%.

In 2009, the company is the most revealing social responsibility is Holcim Indonesia Tbk with the disclosure or the disclosure of as much as 40% No 51.28 disclosed. There was a spike from the previous year only 38 disclosure or 48.72%. While in the United Tractors Tbk not increase in 2009, the same as the previous year. In 2009, the least revealing social responsibility is Myoh Technology Limited and Indo KordsaTbk, the same as in 2008, each company there are only 3 or disclosure is only 5.13%.

In 2010, the company is the most revealing social responsibility is Holcim Indonesia Tbk with the disclosure or the disclosure of as many as 41 with a percentage of 52.56%. There are not too significant improvement from the previous year revealed that only 40 disclosures. While in the United Tractors Tbk not increase in 2010, the same as in 2008 and 2009 revealed only 27 disclosures or by 34.62%. Whereas the least disclosure in 2010, is Myoh Technology Limited and Indo KordsaTbk, the same as in 2008 and 2009, each company there are only 3 disclosure or only 5.13%. Both of these companies do not change every year, seen from satbilnya value of each company's disclosure. Holcim Indonesia Tbk the most revealing of social responsibility to the community from 2008 until 2010.

4.2. Hypothesis Testing

After doing the test for normality and the classical assumption test, showed that the normality test data used normally distributed, while the classical assumption test concluded not happen heterocedasticity, multicolinearity, and autocorrelation. Mean linear regression equation model is good and deserves to be used to predict the relationship between the dependent variable with the independent variables. The next stage is to test the multiple linear regression equation models and hypothesis testing, whether it's t test, and F test Table 1 show the results of regression testing.

Table 1
F Test Results

ANOVA[b]						
	Model	*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig.*
1	Regression	.371	6	.062	10,006	.000 [A]
	Residual	.698	113	.006		
	Total	1069	119			

a. Predictors: (Constant), PROFILE, GCG, FOREIGN OWNERSHIP, LEVERAGE, PROFITABILITY, SIZE

b. Dependent Variable: CSRI

The test results in table 2 shows significant results of 0,00 which is lower than 0.05. It can be concluded that simultaneous independent variables affect the dependent variable, the result is also in line with the hypothesis that the results of this study that formed the GCG, profitability, leverage, size, foreign ownership, and the company simultaneously affect the disclosure of Corporate Social Responsibility (CSR) can be accepted with a significance level of 5%.

The first hypothesis stated that GCG positive influence on disclosure of corporate social responsibility, from 4:10 in the above table it can be seen that the first variable or variables GCG produce figures of 0.571. With a significance level of 5%, so that GCG has no significant effect on the disclosure of corporate social responsibility. And variable coefficients GCG shows the value of 0085. This suggests that the first hypothesis is not rejected.

Table 2
Multiple Regression Testing Results

Coefficients[a]						
Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*
		B	*Std. Error*	*Beta*		
1	(Constant)	– .245	.082		-2979	.004
	GCG	.085	.149	.060	.568	.571
	PROFITABILITY	.003	.014	.020	.233	.816
	LEVERAGE	.004	.302	.001	.012	.990
	SIZE	.069	.014	.581	5017	.000
	FOREIGN OWNERSHIP	– .015	.022	– .052	– .667	.506
	PROFILE	– .082	.020	– .374	– 4005	.000

a. Dependent Variable: CSRI

Description:
CSRDI = CSR Disclosure Index (CSR disclosure index).
α = constant.
GCG = Good Corporate Governance.
PROFIT = Profitability.
LEVR = Leverage.
SIZE = Firm Size.
FOREIGN = Foreign Ownership.
PROFILE = Profile Company.

In this study, GCG is represented by the index of the IICD. Where is the index of the IICD is used to describe the role of corporate governance on the disclosure of corporate social responsibility. And in this study GCG is represented by an index of the IICD had no significant influence on the disclosure of corporate social responsibility.

The second hypothesis states that the *profitability* negatively affect the disclosure of corporate social responsibility, the second variable produces a rate of 0.816. *With a significance level of 5%, so that profitability* had no significant effect on the disclosure of corporate social responsibility. And variable profitability shows the value of coefficient of 0.003. This suggests that the second hypothesis is rejected.

Profitability *ratio is the ratio used to measure how effectively the company is operating to produce profits for the company. Profitability ratios calculated in this study by looking* *at ROA is in the company. The results obtained* in this study is consistent with research conducted by Sembiring (2005) and Anggraini (2006), in which they did not find any significant effects of profitability *on CSR disclosure. While the study is contrary to research conducted by Sitepu and Siregar (2009) who found that* profitability *has a significant effect on CSR disclosure.*

The third hypothesis states that *leverage* negatively affect the disclosure of corporate social responsibility, a third variable in this study produced a rate of 0.990. *With a significance level of 5%, so the leverage* has no significant influence on the disclosure of corporate social responsibility. And variable leverage *coefficient* shows the value of 0.004. This shows that the third hypothesis is rejected.

Leverage ratio is the proportion of total debt to total assets. The ratio is used to provide an overview of the company's capital structure, so it can be seen the level of risk of non-collection of a debt. The results obtained in this study showed no significant effect of high and low leverage *to the number of CSR disclosure, thus the results of the study are consistent with research conducted by Sitepu and Siregar (2009), Sembiring (2005), and Anggraini (2006), where all three found no significant effect between* leverage *on CSR disclosure.*

The fourth hypothesis states that the *size* positive effect on disclosure of corporate social responsibility, the variable size gives the figure of 0.000. *With a significance level of 5%, so the size* has a significant effect on the disclosure of corporate social responsibility. And the size *variable indicates the value of coefficient of 0.069. This suggests that the fourth hypothesis was not rejected.*

Size *is one important measure that is widely used to describe the broad disclosure of CSR in the company's annual report. In* general, large companies will disclose more information than smaller companies. And in this study is in line with research conducted by Sembiring (2005), who found no significant effect of firm size on CSR disclosure. Instead, the results of this study conflict with Sitepu and Siregar (2009) and Anggraini (2006), in which both studies found no significant effect between Size *with CSR disclosure.*

The fifth hypothesis states that the positive effect of foreign ownership of corporate social responsibility disclosure, *foreign ownership variable produces a rate of 0.506, with a significance level of 5% so that foreign ownership has no significant influence on the disclosure of* corporate social responsibility. And foreign ownership variable indicates the value of coefficient of -0.015. This suggests that the fifth hypothesis can be rejected.

These results prove that foreign ownership does not affect the wider corporate social responsibility disclosure in annual reports of companies in Indonesia. In other words, foreigners who have a stake in Indonesia tend not affect or require the disclosure of corporate social responsibility reports widely in knowledge, in particular disclosure item in accordance with the GRI indicators. The results are consistent with research conducted by Machmud and Djakman (2008) which was statistically the foreign shareholding in the company has no significant effect on the disclosure of corporate social responsibility.

The sixth hypothesis stated that the company *has a* high profile *corporate social responsibility disclosure is greater than the company's* low-profile, and the sixth variable yield rate of 0.000. With a significance level of 5%, so the company *profile* has a significant effect on the disclosure of corporate social responsibility. And the company profile *variable indicates the value of coefficient of -0.082. This suggests that the sixth hypothesis can not be rejected.*

Systematic relationship between profile *companies with corporate social responsibility disclosure has been associated with variation in the impact of the company's operations on the environment and society, so the hypothesis is generally* stated that the company has a major impact on the environment and society will reveal more social information. The results are consistent with research conducted by Sembiring (2005), where the study found no significant effect between profile companies with corporate social responsibility disclosure.

a. Assay coefficient of determination (R^2)

Next test is a test of coefficient of determination (R $^{2),}$ the test is used to determine the percentage contribution of the effect of independent variables on the dependent variable simultaneously. The test results coefficient of determination (Adjusted R $^{2)}$ of the independent variable on the dependent variable can be seen in the table 3

Table 3
Test results of coefficient of determination

Model Summary				
Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.589 ^{A}	.347	.312	.07860

a. Predictors: (Constant), PROFILE, GCG, FOREIGN OWNERSHIP, LEVERAGE, PROFITABILITY, SIZE

Sources: SPSS Output

Based on the results in Table 4:12 SPSS output magnitude adjusted R ^{2} is 0.312 or 31.2%. This suggests that the regression model that will be able to explain the form of Corporate Social Responsibility (CSR) in the registered manufacturing company, for 31.2% and the remaining 68.8% sebsesar explained by other factors.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

This study aims to determine test whether there is significant influence between good corporate governance, profitability, leverage, firm size, foreign ownership, and the company on the disclosure of CSR of the company, where samples are taken as many as 120 companies manufacturing company listed on the Stock Exchange Indonesia (BEI) from the years 2008-2010. In this study using multiple regression test the regression equation that has more than one independent variable, which in this study using six independent variables. Hypothesis testing is done using multiple regression test. It also made the classic assumption test like normality test, multicollinearity, autocorrelation test, and test heterocedastisity.

Analytical results obtained from this study is from 40 manufacturing companies that serve as the research sample, showed all trying to do the CSR disclosure practices with a diverse number of disclosures. From a study of factors - factors that affect a company's CSR disclosure, some conclusions can be drawn: Good Corporate Governance is not proven significant effect on disclosure of corporate social responsibility. This likely occurred because the corporate governance not only involve disclosure of corporate social responsibility, but also about the responsibility of the company to other parties with an interest in the economic activity and all the effect.

Profitability is not proven to significantly influence the disclosure of corporate social responsibility. This means that the higher the level of profitability will not be extending the policy of disclosure of social and environmental responsibility, since when the company has a high level of earnings, the company assumes no need to report the things that can disturb the information on the financial statements. Leverage proven not significantly influence the disclosure of corporate social responsibility. Due to the higher financial leverage, the company is likely to experience violations of the debt contract, the manager will try to report earnings are now higher than earnings in the future. Reported earnings so high, then the manager must reduce the costs, including the costs to disclose social information.

Firm size proved significant effect on disclosure of corporate social responsibility. The bigger a company, the greater the scrutiny of investors and the public against the company. This led to large firms have greater responsibility to make CSR disclosures. However, in Indonesia has enacted legislation about social responsibility and environment ie Law no. 40 of 2007 are listed in Article 74, so that a large or small size company must still disclose corporate social responsibility they have done.

Foreign ownership is not proven significant effect on disclosure of corporate social responsibility, which means that the presence or absence of foreign ownership in a company will not affect the policy of corporate social responsibility disclosure.

Proven company profile significantly influence corporate social responsibility disclosure. This suggests that the high-profile companies have corporate social responsibility disclosure is greater than the company's low-profile.

5.2. Limitations and Suggestions

Based on the research that has been done, the suggestions for the users of financial statements is to provide information about the factors that influence CSR disclosure practices in manufacturing companies in Indonesia are listed on the Stock Exchange in 2008-2010. In this study, factors - factors discussed were of good corporate governance, profitability, leverage, firm size, foreign ownership, and the company. Since there are limitations to this study, suggestions for further research in order to improve the existing deficiencies and better results are:

In this study, the independent variables used are of good corporate governance, profitability, financial leverage, firm size, foreign ownership, and the company. While the dependent variable used is corporate social responsibility. Suggestions for future research to include additional independent variables such as the size of the board of directors, other than the type of ownership of foreign ownership, etc., that may affect the disclosure of CSR of the company so that the research results will be more varied.

In this study, the sample used is a total of 120 companies. These companies are manufacturing companies listed in the Indonesia Stock Exchange. It is feared that this study does not adequately represent some industry-other. Suggestions for future research is to conduct sampling not only from industry but from other industries, so that the sample could be more varied. This study did not examine the possibility of differences between the effects of time. Further research is recommended to test the difference each year so that the analysis can be more complete.

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