SUSTAINABLE BUSINESS ACCOUTING AND MANAGEMENT REVIEW
SBAMR - An International Journal I Promoting Sustainability & Ethical Practices
e-ISSN 2684-6845
Volume 8 No 1 March 2026 https://dhsjournal.id/index.php/SBAMR/index

What Really Drives Corporate Social Responsibility Disclosure? Role of Firm Size, Profitability, Board Size, and Ownership Structure

Verawati Damayanti[1]*, Dominikus Kopong Duli[2], Maximus Leonardo Taolin[2]
[1] Universitas Pembangunan Nasional Veteran Jakarta, Jl. RS. Fatmawati, Pondok Labu, Jakarta Selatan, DKI Jakarta 1245, Indonesia.
[2] Universitas Timor, Jl. Sasi, Kota Kefamenanu, North Central Timor Regency, East Nusa Tenggara, Indonesia.

DOI. https://doi.org/10.61656/ijospat.v8i1.130.

ABSTRACT
Purpose: *This study aims to examine and analyze the effect of firm size, profitability, board of commissioners' size, public ownership, and foreign ownership on the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange.*
Method: *This study applies a quantitative explanatory approach. The population consists of manufacturing companies listed on the Indonesia Stock Exchange during the 2020 to 2022 period. Using a purposive sampling technique, 67 companies were selected, producing 201 firm year observations. Secondary data were obtained from annual reports published on the official website of the Indonesia Stock Exchange, and the data were analyzed using multiple linear regression with the assistance of SPSS version 25.*
Findings: *The results show that firm size has a significant positive effect on corporate social responsibility disclosure, while profitability, board of commissioners' size, public ownership, and foreign ownership do not significantly affect the extent of disclosure when tested individually. Simultaneously, all five variables significantly influence corporate social responsibility disclosure and jointly explain 38.9 percent of its variation.*
Implications: *For regulators and standard setters, the dominant role of firm size suggests that disclosure monitoring and support mechanisms should be calibrated according to company scale, while the limited role of governance and ownership variables indicates that structural regulation alone may not be sufficient to induce broader social responsibility reporting. For managers, the results imply that larger firms carry a heavier legitimacy burden and should treat disclosure as an integral part of stakeholder management rather than a compliance formality.*
Originality: *Unlike prior studies that generally examine a single determinant or a narrow set of governance variables in isolation, this study integrates firm characteristics, board governance, and two distinct ownership dimensions, namely public and foreign ownership, within one coherent explanatory model applied to a three year panel of Indonesian manufacturing firms, offering a more holistic account of why disclosure extent varies among firms operating under the same regulatory environment.*

Keywords: *firm size, profitability, board of commissioners, ownership structure, corporate social responsibility disclosure.*

Article info: Received: 27 January 2026; Revised: 25 February 2026; Accepted: 15 March 2026

Correspondence:
* Verawati Damayanti and Email: veradm200@gmail.com

Recommended citation:
Damayanti, V., Duli, D. K., & Taolin, M. L. (2026). What Really Drives Corporate Social Responsibility Disclosure? Role of Firm Size, Profitability, Board Size, and Ownership Structure, *Sustainable Business Accounting, and Management Review, 8* (1), 49-63.

1. INTRODUCTION

Corporate social responsibility, generally understood as the obligation of a company to consider and address the social and environmental consequences of its business activities, has moved from being an optional public relations gesture to a central expectation attached to legitimate corporate behavior. In Indonesia this expectation has been reinforced through a series of regulatory instruments, most notably the Limited Liability Company Law and the disclosure requirements issued by the Financial Services Authority, which together push public companies to report not only their financial performance but also their social and environmental footprint. Despite this regulatory push, the way companies translate the obligation to disclose into the actual content and depth of their reports still varies considerably from one firm to another, and this variation in extent rather than in mere presence of disclosure is the empirical puzzle that motivates the present study.

A growing body of research documents that the extent of corporate social responsibility disclosure is far from uniform even among firms operating under the same set of rules (Ali et al., 2017; Seow, 2024). Some companies publish detailed, indicator-based sustainability sections inside their annual reports, while others limit themselves to a short narrative paragraph that satisfies only the minimum requirement. This gap between mandatory minimum compliance and genuinely informative disclosure has drawn the attention of accounting and governance scholars, who have proposed several firm level and governance level explanations for why disclosure behavior differs, ranging from company size and profitability to the composition of the board and the structure of share ownership (Fuadah et al., 2022; Nugraheni et al., 2022).

The manufacturing sector is a particularly relevant setting in which to study this variation. Manufacturing activities are directly linked to resource extraction, waste generation, and labor intensive processes, so the social and environmental externalities that corporate social responsibility disclosure is meant to communicate are more visible and more material than in sectors such as financial services. Manufacturing companies listed on the Indonesia Stock Exchange are also subject to close scrutiny from investors, regulators, and civil society groups because of their exposure to environmental risk, which makes the quality and completeness of their disclosure practices consequential for stakeholders who rely on that information to judge a firm's social performance and its longer term sustainability. Recent evidence from the Indonesian manufacturing industry itself shows that voluntary, non financial disclosure is systematically associated with subsequent financial performance, which reinforces the view that disclosure behavior in this sector is a meaningful business practice rather than a symbolic exercise (Meiryani et al., 2023).

Several theoretical perspectives help explain why firms differ in how much social information they disclose. Agency theory frames disclosure as a mechanism that reduces the information asymmetry between managers, who run the daily operations of the company, and shareholders, who bear the residual risk of those operations (Jensen & Meckling, 1976). Stakeholder theory shifts the focus from shareholders alone to the broader set of groups who can affect or are affected by the firm, and it predicts that companies disclose more social information when they need to manage the expectations of employees, customers, communities, and regulators (Freeman, 2010; Awa et al., 2024). Legitimacy theory adds a further layer by arguing that disclosure is a strategic response companies use to align their perceived behavior with the norms and expectations of the society in which they operate, particularly when their operations carry a higher risk of being viewed as illegitimate (Suchman, 1995; Akhter et al., 2022). Signaling theory, in turn, treats voluntary disclosure as a costly signal that better performing or better governed firms use to distinguish themselves from weaker firms in the eyes of investors (Nguyen, 2025; Xu et al., 2023).

Although these theories converge on the general prediction that larger, more profitable, better governed, and more closely monitored firms should disclose more, the empirical evidence on which specific determinants actually matter remains mixed, especially in the Indonesian manufacturing context and especially when several determinants are examined together rather than in isolation (Ali et al., 2017). Prior Indonesian studies have often examined firm size or profitability on their own, or have combined governance variables without separating the two distinct dimensions of ownership, namely the proportion of shares held by the general investing public and the proportion held by foreign investors, even though these two ownership dimensions carry different monitoring incentives and different exposure to reputational pressure (Sahasranamam et al., 2020; Gupta et al., 2025). The present study addresses this gap by examining, within a single model, the partial and simultaneous influence of firm size, profitability, board of commissioners' size, public ownership, and foreign ownership on the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange during the 2020 to 2022 period.

Specifically, this study aims to examine and analyze whether firm size, profitability, board of commissioners' size, public ownership, and foreign ownership influence the extent of corporate social responsibility disclosure, both partially and simultaneously. By pooling three years of annual report data drawn from a purposively selected sample of manufacturing firms, the study offers evidence on which of these commonly cited determinants retain explanatory power once the others are held constant, and it discusses the theoretical, practical, and policy implications of the pattern that emerges from that evidence.

2. LITERATURE REVIEW

2.1. Theoretical Foundations of Corporate Disclosure

Agency theory describes the firm as a network of contracts in which owners, acting as principals, delegate decision making authority to managers, acting as agents, and this separation of ownership and control creates the possibility that managers pursue their own interests rather than those of the owners (Jensen & Meckling, 1976). Disclosure, including social and environmental disclosure, functions as a monitoring and bonding device that narrows the information gap between the two parties and lowers the agency costs associated with that separation. Firms with characteristics that widen the potential for information asymmetry, such as a large operating scale or a dispersed ownership base, are therefore predicted to disclose more in order to reassure outside owners that management is behaving responsibly.

Stakeholder theory broadens this lens beyond the shareholder relationship. It holds that a firm's survival and performance depend on maintaining workable relationships with a wide range of groups, including employees, suppliers, customers, communities, and regulators, each of whom holds a legitimate stake in the firm's conduct (Freeman, 2010). Awa et al. (2024) argue that corporate social responsibility disclosure operates as a communication channel through which firms demonstrate that they are managing these relationships responsibly, and that the intensity of this communication rises with the number and power of the stakeholder groups a firm must satisfy. Under this view, governance structures that bring more stakeholder voices into the boardroom, together with ownership structures that expose a firm to a wider public, should be associated with a broader disclosure practice.

Legitimacy theory treats the relationship between a company and society as an implicit social contract, under which the company is allowed to operate only for as long as society perceives its activities as legitimate (Suchman, 1995). When a gap opens between what society expects and what a company is perceived to be doing, the company faces a legitimacy threat that can affect its access to resources, capital, and public support. Akhter et al. (2022) show, in a longitudinal analysis of a developing economy, that firms with higher visibility and higher environmental sensitivity respond to this threat by expanding their disclosure, using it as a legitimation strategy rather than as a neutral reporting exercise. Because manufacturing firms are typically more visible to regulators and communities than firms in less resource intensive sectors, legitimacy theory predicts that manufacturing firms with larger operations or with an ownership base connected to a wider public will feel a stronger pull toward more extensive disclosure.

Signaling theory completes the theoretical framework by explaining disclosure from the perspective of information economics. Because outside investors cannot directly observe a firm's underlying quality, firms that are genuinely better performing or better governed have an incentive to send a credible, costly signal that separates them from weaker firms, and voluntary corporate social responsibility disclosure can serve this signaling function (Nguyen, 2025). Xu et al. (2023) extend this reasoning by showing that the reputational value of a disclosure signal depends not only on its transmission by the firm but also on how stakeholders interpret and make sense of it, which implies that the credibility of disclosure, and therefore its extent, depends on firm characteristics that stakeholders already associate with quality, such as profitability and sound governance.

2.2. Corporate Social Responsibility Disclosure

Corporate social responsibility disclosure refers to the voluntary or mandated communication, usually embedded in the annual report or a separate sustainability report, of information about a company's economic, social, and environmental performance and its impact on stakeholders. A widely used approach to measuring the extent of this disclosure is a content analysis-based disclosure index, in which a checklist of expected disclosure items, commonly adapted from the Global Reporting Initiative framework, is scored for each company, and the resulting index reflects the proportion of applicable items that a company actually discloses (Das et al., 2021). This index-based approach allows researchers to compare disclosure extent across firms and over time in a way that a simple presence or absence measure cannot. Systematic reviews of this literature consistently group the determinants of disclosure extent into several broad categories, namely firm characteristics such as size and profitability, governance mechanisms such as board composition, and ownership structure, alongside industry and country level factors (Ali et al., 2017; Seow, 2024). The present study draws on the first three categories, which are also the categories most amenable to firm level regulatory intervention, to build its hypotheses.

2.3. Firm Size and the Extent of Corporate Social Responsibility Disclosure

Firm size, commonly measured through the natural logarithm of total assets, captures the scale of a company's operations and, indirectly, the scale of its social and environmental footprint. Larger firms tend to attract more attention from regulators, analysts, media, and the general public, which raises both the benefit and the pressure associated with informative disclosure. From an agency theory perspective, larger firms have a more complex ownership and management structure, which widens the potential information gap between managers and owners and increases the demand for disclosure as a monitoring tool (Jensen & Meckling, 1976). From a legitimacy theory perspective, a larger operating footprint exposes the firm to a higher risk of legitimacy challenges, so larger firms disclose more to manage that exposure (Suchman, 1995). Larger firms also possess more financial and human resources to prepare a comprehensive sustainability disclosure, a practical consideration that reinforces the size effect.

Empirically, several recent studies conducted on Indonesian listed companies report a significant positive relationship between firm size and the extent of environmental, social, and governance or corporate social responsibility disclosure (Fuadah et al., 2022; Handayati et al., 2022; Reschiwati et al., 2026; Kristiawan, 2024; Risal et al., 2023; Fathihani et al., 2025). Nugraheni et al. (2022) similarly find that larger Indonesian firms disclose more extensively, which they attribute to the greater public and regulatory visibility that accompanies a larger asset base. Based on this consistent body of evidence and on the theoretical arguments outlined above, the following hypothesis is proposed.

H1: Firm size has a significant positive effect on the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange.

2.4. Profitability and the Extent of Corporate Social Responsibility Disclosure

Profitability, typically measured as return on assets, indicates how efficiently a company converts its resources into earnings. Two competing arguments describe how profitability might relate to disclosure. The first, often labeled the slack resource argument, holds that profitable firms have more financial slack available to fund social programs and to prepare and publish a more elaborate disclosure, so profitability should raise disclosure. The second argument, rooted in signaling theory, suggests that already profitable firms may feel less pressure to signal their quality through costly voluntary disclosure because their financial statements alone already convey a positive signal to the market (Nguyen, 2025; Xu et al., 2023), which would weaken or even reverse the expected relationship.

The empirical record reflects this theoretical tension. Alam and Tariq (2022), studying an emerging economy setting, find that disclosure quality is associated with financial performance but that the strength of this association depends heavily on industry and governance context, while Risal et al. (2023) find that the profitability effect on disclosure in Indonesia is sensitive to geographic and firm specific moderating conditions rather than being uniformly positive. Other Indonesian studies report that profitability has no significant effect on the extent of corporate social responsibility disclosure once other firm characteristics are controlled for, a pattern that is consistent with the possibility that profitable Indonesian manufacturing firms treat earnings information itself as a sufficient signal and do not feel compelled to expand non financial disclosure accordingly. Given this mixed evidence, the following hypothesis is proposed in its directional, theory consistent form while allowing the data to indicate whether the relationship holds in practice.

H2: Profitability has a significant effect on the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange.

2.5. Board of Commissioners Size and the Extent of Corporate Social Responsibility Disclosure

Indonesian corporate governance follows a two tier structure in which the board of commissioners is separated from the board of directors and is responsible for supervising management on behalf of shareholders and other stakeholders. A larger board of commissioners is generally expected, under agency theory, to bring together a wider range of expertise and a larger pool of oversight capacity, which should strengthen monitoring of management's social and environmental conduct and, through that channel, increase the extent of disclosure (Jensen & Meckling, 1976). Ben Fatma and Chouaibi (2021), studying European financial institutions, report a significant positive association between board size and the extent of corporate social responsibility disclosure, and a large scale meta analytic review by Hussain et al. (2025) identifies board size, alongside the presence of a dedicated sustainability committee, as one of the more consistent predictors of corporate social responsibility outcomes across the international governance literature.

At the same time, a number of studies caution that a larger board can also suffer from coordination difficulties, slower decision-making, and a diffusion of individual accountability, all of which can blunt its monitoring effectiveness in practice. Qaderi et al. (2020) find that it is the specific features of oversight committees, rather than sheer board size, that drive disclosure outcomes in an emerging market setting, while Mai et al. (2023), examining Indonesian Islamic banks, show that board characteristics interact with ownership structure in shaping social responsibility outcomes in ways that are not captured by board size alone. These findings suggest that in the Indonesian context, where the board of commissioners often plays a more supervisory and less operationally engaged role than boards in some other jurisdictions, the size of the board may not translate directly into more extensive disclosure. The following hypothesis is nonetheless proposed to test this relationship empirically.
H3: Board of commissioners size has a significant effect on the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange.

2.6. Public Ownership and the Extent of Corporate Social Responsibility Disclosure

Public ownership refers to the proportion of a company's outstanding shares held by the general investing public rather than by a controlling family, the government, or a strategic foreign partner. Because publicly held shares are typically dispersed among many small investors, no individual public shareholder has a strong enough stake to actively monitor management, yet the aggregate presence of a large public shareholder base still raises the company's visibility and its exposure to capital market scrutiny, media attention, and regulatory interest. Legitimacy theory suggests that this heightened visibility pressures management into more extensive disclosure as a way of maintaining the trust of a dispersed shareholder base and of the broader society for whom the stock market is often taken as a barometer of good corporate citizenship (Suchman, 1995).

Fuadah et al. (2022) report that both public and foreign ownership are positively associated with the extent of environmental, social, and governance disclosure among companies listed on the Indonesia Stock Exchange, which they interpret as evidence that a wider external shareholder base amplifies the reputational cost of poor disclosure. Gupta et al. (2025) likewise find that ownership structure, including the degree of dispersed and institutional ownership, shapes the extent of sustainability disclosure across multiple markets, while Li and Sasaki (2024) show that Chinese state owned enterprises, which by design answer to a broad public constituency, disclose a wider scope of social responsibility domains than comparable privately held firms. Sahasranamam et al. (2020), studying an emerging market context comparable to Indonesia, similarly conclude that ownership dispersion changes the incentive structure managers face when deciding how much social information to disclose. Based on this literature, the following hypothesis is proposed.
H4: Public ownership has a significant effect on the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange.

2.7. Foreign Ownership and the Extent of Corporate Social Responsibility Disclosure

Foreign ownership captures the proportion of shares held by investors or entities domiciled outside Indonesia. Two competing predictions again apply. On one hand, foreign investors, particularly those from jurisdictions with stronger disclosure norms, may import higher expectations regarding social and environmental transparency and may use their influence to push investee companies toward more extensive disclosure, a pattern consistent with the positive foreign ownership effect that Fuadah et al. (2022) document among Indonesia Stock Exchange listed firms. On the other hand, foreign shareholders are physically and organizationally distant from day to day operations and often rely on formal reporting channels and periodic communication rather than direct, on site monitoring, which can weaken rather than strengthen their influence over disclosure practice.

Evidence consistent with this second, weaker monitoring channel comes from Lui and Zainuldin (2022), who find, in a study of banks in an emerging Southeast Asian market, that local banks actually disclose more corporate social responsibility information than their foreign owned counterparts, contrary to the expectation that foreign ownership imports stronger disclosure norms. Nugraheni et al. (2022) likewise report that the influence of foreign ownership on disclosure among Indonesian companies is not uniformly positive once other ownership dimensions are accounted for, and Sahasranamam et al. (2020) note that the effect of foreign ownership on social responsibility behavior in emerging markets is highly conditional on the specific governance context surrounding the investee firm. Mai et al. (2023) add that in the Indonesian setting, the interaction between ownership type and board characteristics matters more than the presence of foreign capital alone. Given these mixed findings, the following hypothesis is proposed for empirical testing.

H5: Foreign ownership has a significant effect on the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange.

8. Research Framework

Building on the theoretical foundations and the hypotheses developed above, the conceptual framework in Figure 1 positions firm size, profitability, board of commissioners size, public ownership, and foreign ownership as the independent variables and the extent of corporate social responsibility disclosure as the dependent variable, with the relationship between them tested using multiple linear regression.

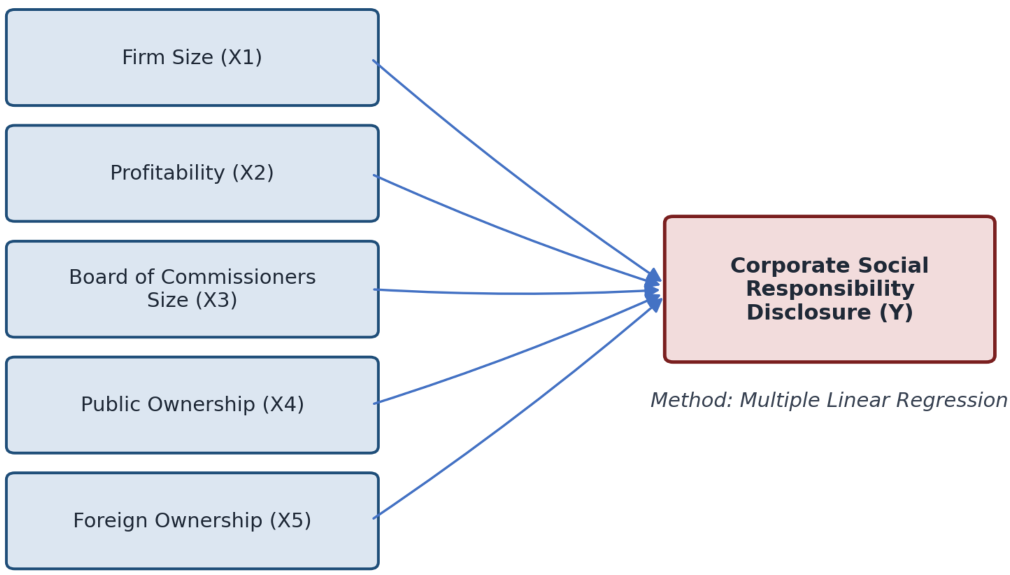

Figure 1. Conceptual Research Framework

3. RESEARCH METHOD

3.1. Research Design

This study applies a quantitative, explanatory research design intended to test causal associative relationships between five independent variables and one dependent variable using secondary data. The approach is deductive in the sense that hypotheses derived from agency, stakeholder, legitimacy, and signaling theory are formulated first and are then tested statistically against empirical data drawn from published annual reports, rather than the reverse process of building theory inductively from qualitative material. This design was chosen because the research question concerns the relative strength and statistical significance of several competing determinants of disclosure extent, a question that is best answered through a numerical index of disclosure regressed on numerical firm characteristics rather than through a purely descriptive or interpretive method.

3.2. Data Collection

The population of this study consists of manufacturing companies listed on the Indonesia Stock Exchange, which numbered 168 companies during the period under observation. The sample was selected using a purposive sampling technique based on the following criteria: the company was consistently listed on the Indonesia Stock Exchange throughout the 2020 to 2022 period, the company published a complete annual report containing the financial and non financial information required to measure all research variables, the company was not delisted, suspended, or under special monitoring during the observation period, and the company reported its financial statements in Indonesian Rupiah. Applying these criteria yielded 67 manufacturing companies, and because each company was observed over three annual periods, the final sample used in the regression analysis comprised 201 firm year observations.

3.3. Data Collection and Variable Measurement

The data used in this study are entirely secondary, consisting of annual reports downloaded directly from the official website of the Indonesia Stock Exchange. The dependent variable, the extent of corporate social responsibility disclosure, was measured using a disclosure index constructed through content analysis, following an approach consistent with disclosure index studies that adapt the Global Reporting Initiative indicators to score each expected disclosure item as one when disclosed and zero when not disclosed, so that each company's index equals the number of items disclosed divided by the total number of applicable items (Das et al., 2021). Table 1 summarizes the operational measurement of each variable used in the regression model.

Table 1. Operational Measurement of Research Variables

Variable	Symbol	Operational Measurement
Corporate social responsibility disclosure	Y	Number of disclosure items reported divided by the total number of applicable disclosure items in the index
Firm size	X1	Natural logarithm of total assets at the end of the fiscal year
Profitability	X2	Return on assets, calculated as net income after tax divided by total assets
Board of Commissioners' size	X3	Total number of members sitting on the board of commissioners
Public ownership	X4	Percentage of shares held by the general public relative to total outstanding shares
Foreign ownership	X5	Percentage of shares held by foreign individuals or foreign entities relative to total outstanding shares

Source: Processed secondary data, 2026.

3.4. Data Analysis Technique

Data were analyzed using multiple linear regression with the assistance of SPSS version 25 for Windows. Before interpreting the regression coefficients, four classical assumption tests were performed to confirm that the ordinary least squares estimator was appropriate for this data set. Normality of the residuals was assessed using the Kolmogorov-Smirnov test, where a significance value greater than 0.05 indicates that the residuals are normally distributed. Multicollinearity among the independent variables was assessed using the tolerance value and the variance inflation factor, with a tolerance value above 0.1 and a variance inflation factor below 10, indicates the absence of problematic multicollinearity. Autocorrelation was assessed using the Durbin-Watson statistic, compared against the lower and upper critical bounds for the applicable number of independent variables and observations. Heteroskedasticity was assessed using the Glejser test, where a significance value greater than 0.05 for each independent variable indicates that the variance of the residuals is homogeneous. After these assumptions were confirmed, the study proceeded to estimate the following multiple regression model.

$$Y = \alpha + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X3 + \beta 4\ X4 + \beta 5\ X5 + \varepsilon$$

where Y denotes the extent of corporate social responsibility disclosure, X1 through X5 denote firm size, profitability, board of commissioners' size, public ownership, and foreign ownership respectively, α is the constant term, β1 through β5 are the regression coefficients, and e is the error term. The partial effect of each independent variable was tested using the t-statistic at a 0.05 significance level, the simultaneous effect of all five independent variables was tested using the F-statistic, and the overall explanatory power of the model was assessed using the coefficient of determination, or R-square.

4. RESULTS AND DISCUSSION

4.1. Classical Assumption Test Results

The normality test presented in Table 2 uses the Kolmogorov-Smirnov statistic applied to the regression residuals. The test produced a significance value of 0.200, which is greater than the 0.05 threshold, indicating that the residuals of the regression model are normally distributed and that the model satisfies the normality assumption required for valid inference.

Table 2. Normality Test Results

Statistic	Value
Kolmogorov Smirnov statistic	0.049
Significance level	0.200

Source: Processed secondary data, 2026.

Table 3 presents the multicollinearity test results based on the tolerance value and the variance inflation factor for each independent variable. All five variables show a tolerance value above 0.1 and a variance inflation factor well below 10, which together confirm that the regression model is free from problematic multicollinearity among the independent variables.

Table 3. Multicollinearity Test Results

Independent Variable	Tolerance	VIF	Conclusion
Firm size (X1)	0.579	1.728	No multicollinearity
Profitability (X2)	0.946	1.057	No multicollinearity
Board of commissioners' size (X3)	0.564	1.774	No multicollinearity
Public ownership (X4)	0.884	1.132	No multicollinearity
Foreign ownership (X5)	0.842	1.188	No multicollinearity

Source: Processed secondary data, 2026.

The autocorrelation test in Table 4 uses the Durbin Watson statistic. With five independent variables and 201 observations, the critical lower and upper bounds are 1.7176 and 1.8199 respectively. The computed Durbin Watson value of 1.954 falls between the upper bound of 1.8199 and the value of 2.1801, obtained by subtracting the upper bound from four, which indicates that the regression model does not suffer from autocorrelation.

Table 4. Autocorrelation Test Results

Model	dU	4 minus dU	Durbin Watson Statistic	Conclusion
1	1.8199	2.1801	1.954	No autocorrelation

Source: Processed secondary data, 2026.

Table 5 presents the heteroskedasticity test results using the Glejser test. All five independent variables produce a significance value greater than 0.05, indicating that none of the variables significantly affects the absolute value of the residuals and that the model is free from heteroskedasticity.

Table 5. Heteroskedasticity Test Results (Glejser Test)

Independent Variable	Significance
Firm size (X1)	0.197
Profitability (X2)	0.069
Board of commissioners size (X3)	0.923
Public ownership (X4)	0.057
Foreign ownership (X5)	0.609

Source: Processed secondary data, 2026.

4.2. Hypothesis Testing Results

Having satisfied all four classical assumptions, the study proceeded to estimate the multiple regression model and to test each hypothesis using the partial t-test, reported in Table 6.

Table 6. Partial Test (t Test) Results

Independent Variable	t statistic	Significance	Conclusion
Firm size (X1)	3.995	0.000	H1 accepted, significant positive effect
Profitability (X2)	-0.454	0.650	H2 rejected, no significant effect
Board of commissioners' size (X3)	1.638	0.103	H3 rejected, no significant effect
Public ownership (X4)	-1.259	0.209	H4 rejected, no significant effect
Foreign ownership (X5)	-1.148	0.252	H5 rejected, no significant effect

Source: Processed secondary data, 2026.

Firm size (X1) produces a t statistic of 3.995 with a significance value of 0.000, which is below the 0.05 threshold, so H1 is accepted and firm size is confirmed to have a significant positive effect on the extent of corporate social responsibility disclosure. Profitability (X2) produces a t statistic of negative 0.454 with a significance value of 0.650, which exceeds 0.05, so H2 is rejected and profitability does not significantly affect disclosure extent. Board of commissioners size (X3) produces a t statistic of 1.638 with a significance value of 0.103, which also exceeds 0.05, so H3 is rejected. Public ownership (X4) produces a t statistic of negative 1.259 with a significance value of 0.209, so H4 is rejected. Foreign ownership (X5) produces a t statistic of negative 1.148 with a significance value of 0.252, so H5 is rejected.

The simultaneous effect of all five independent variables was tested using the F test, reported in Table 7. The model produces an F statistic of 8.177 with a significance value of 0.000, which is below 0.05, indicating that firm size, profitability, board of commissioners size, public ownership, and foreign ownership jointly and significantly influence the extent of corporate social responsibility disclosure among the manufacturing companies in the sample, even though four of the five variables are not significant when tested individually.

Table 7. Goodness of Fit Test (F-Test) Results

F statistic	Significance	Conclusion
8.177	0.000	Significant simultaneous effect

Source: Processed secondary data, 2026.

Finally, Table 8 reports the coefficient of determination. The model produces an R-value of 0.624, an R-square of 0.389, and an adjusted R-square of 0.363, meaning that the five independent variables jointly explain 38.9 percent of the variation in the extent of corporate social responsibility disclosure, while the remaining 61.1 percent is explained by factors outside the scope of this model, such as industry sub sector, media exposure, or the specific composition of a firm's audit committee.

Table 8. Coefficient of Determination Results

Model	R	R Square	Adjusted R Square
1	0.624	0.389	0.363

Source: Processed secondary data, 2026.

3. Discussion

3.1 The Effect of Firm Size on Corporate Social Responsibility Disclosure

The finding that firm size has a significant positive effect on the extent of corporate social responsibility disclosure is consistent with agency theory and legitimacy theory alike. Larger manufacturing companies operate on a scale that draws attention from regulators, institutional investors, and the wider public, and this attention raises both the expectation and the practical necessity of communicating how the company manages its social and environmental responsibilities. Larger firms also tend to run more diverse operations across more locations, which increases both the range of stakeholders they must satisfy and the resources they can allocate toward preparing a more complete disclosure. This result aligns closely with the pattern reported by Fuadah et al. (2022), Handayati et al. (2022), Reschiwati et al. (2026), and Kristiawan (2024), all of whom find a significant positive size effect among Indonesian listed companies, and it is further reinforced by Risal et al. (2023) and Fathihani et al. (2025), who document a similar pattern once firm size is examined alongside other governance variables. Taken together, this convergence across studies using different samples, periods, and sub-sectors suggests that firm size is one of the most robust and structurally embedded determinants of disclosure extent in the Indonesian capital market. It implies that investors who use disclosure completeness as a proxy for social responsibility should adjust their benchmark according to company scale, rather than applying a single uniform standard across firms of very different sizes.

3.2 The Effect of Profitability on Corporate Social Responsibility Disclosure

Profitability was found to have no significant effect on the extent of corporate social responsibility disclosure once firm size, board size, and ownership structure were controlled for. This result suggests that Indonesian manufacturing companies do not treat a healthy return on assets as a trigger for expanding their non financial disclosure, which is more consistent with the signaling based explanation advanced by Nguyen (2025) and Xu et al. (2023), in which profitable firms may rely on their financial statements alone to signal quality and therefore feel less pressure to expand voluntary disclosure, than with the simple slack resource argument that more profit should mechanically translate into more disclosure. It is also possible that profitability in the Indonesian manufacturing sector fluctuates with commodity input prices and exchange rates in ways that are only loosely connected to a company's underlying social responsibility program, so that disclosure decisions, which tend to be planned well in advance as part of an annual reporting cycle, do not move in step with short-term profit swings. This finding echoes the pattern noted by Alam and Tariq (2022) and by Risal et al. (2023), both of whom report that the profitability to disclosure relationship in emerging market settings is highly conditional rather than uniformly positive, reinforcing the conclusion that profitability alone is an unreliable predictor of how much a company will disclose about its social responsibility performance.

3.3 The Effect of Board of Commissioners Size on Corporate Social Responsibility Disclosure

The board of commissioners' size was likewise found to have no significant effect on the extent of corporate social responsibility disclosure. Although agency theory predicts that a larger supervisory board should strengthen monitoring and therefore expand disclosure, and although Ben Fatma and Chouaibi (2021) report a positive relationship in a sample of European financial institutions, the Indonesian evidence here suggests that simply adding more members to the board of commissioners does not automatically translate into a stronger disclosure outcome. This is consistent with the broader meta analytic conclusion of Hussain et al. (2025), who note that board level predictors of corporate social responsibility outcomes are more reliable when they capture specific competencies or dedicated oversight structures rather than raw board size, and with the argument of Qaderi et al. (2020) that it is the particular features of an oversight committee, rather than its headcount, that shape disclosure behavior. Mai et al. (2023) similarly find that board characteristics interact with the type of ownership behind an Indonesian company in ways that a simple count of commissioners cannot capture. A plausible interpretation is that Indonesian boards of commissioners, functioning within a two-tier governance system, tend to concentrate their oversight on financial reporting and internal control matters, leaving corporate social responsibility disclosure largely in the hands of management and its sustainability or public relations function, so that the number of commissioners has little direct bearing on how extensively that function reports.

3.4 The Effect of Public Ownership on Corporate Social Responsibility Disclosure

Public ownership was also found to have no significant effect on the extent of corporate social responsibility disclosure in this sample, a result that stands in contrast to Fuadah et al. (2022), who report a significant positive effect of public ownership on environmental, social, and governance disclosure among Indonesia Stock Exchange listed firms, and to the broader argument advanced by Gupta et al. (2025) and Li and Sasaki (2024) that a wider public shareholder base raises the reputational cost of thin disclosure. One explanation for this divergence is that public shareholders in Indonesian manufacturing companies are typically dispersed in small individual holdings and often lack the collective organization or the activist orientation that would translate their numerical presence into effective pressure on management, a limitation also noted by Sahasranamam et al. (2020) in their broader discussion of ownership dispersion in emerging markets. Without an organized channel through which dispersed public shareholders can communicate a preference for more extensive disclosure, the mere proportion of publicly held shares may carry little practical influence over management's reporting choices, which would explain statistical relationship observed here is weak and insignificant despite its theoretical plausibility.

3.5 The Effect of Foreign Ownership on Corporate Social Responsibility Disclosure

Foreign ownership was found to have no significant effect on the extent of corporate social responsibility disclosure among the sampled manufacturing companies. This finding is broadly consistent with Lui and Zainuldin (2022), who report that foreign-owned banks in an emerging Southeast Asian market did not disclose more corporate social responsibility information than their local counterparts, contrary to the common assumption that foreign investors automatically import stronger disclosure norms. It also aligns with the more nuanced conclusion of Nugraheni et al. (2022) and Sahasranamam et al. (2020), who argue that the effect of foreign ownership on social responsibility behavior depends heavily on the specific governance and monitoring arrangements surrounding the investee firm rather than operating as a uniform, automatic influence. A likely practical explanation is that foreign shareholders in Indonesian manufacturing firms tend to receive information through periodic financial reports and formal investor communication rather than through direct, on the ground monitoring, which limits their ability to press management toward more extensive non-financial disclosure even when they might prefer it. Mai et al. (2023) add that the interaction between ownership type and board composition matters more in the Indonesian setting than the mere presence of foreign capital, which is consistent with the pattern found in this study once board size and other ownership variables are held-constant.

4. Implications

The pattern of results carries several implications. For regulators and standard setters, the dominance of firm size as the only significant partial predictor suggests that a uniform disclosure requirement may impose a heavier practical burden on smaller manufacturing companies while doing relatively little to change the reporting behavior of firms whose ownership structure alone was expected to drive better disclosure, which points toward calibrating monitoring intensity and disclosure guidance to company scale rather than relying only on ownership based assumptions. For investors and analysts, the finding that governance and ownership variables do not significantly explain disclosure extent once firm size is controlled for suggests that disclosure completeness should not be read as a simple proxy for good governance, since a smaller, closely held company may under-disclose for reasons unrelated to its underlying social performance. For company management, the results imply that as a firm grows, it should treat corporate social responsibility disclosure as an increasingly important part of stakeholder management and legitimacy maintenance rather than as an administrative afterthought, given that larger firms bear a correspondingly larger legitimacy burden in the eyes of society.

5. CONCLUSION

This study sets out to examine and analyze whether firm size, profitability, board of commissioners size, public ownership, and foreign ownership influence the extent of corporate social responsibility disclosure among manufacturing companies listed on the Indonesia Stock Exchange during the 2020 to 2022 period. Based on multiple linear regression analysis of 201 firm-year observations drawn from 67 purposively sampled companies, the study concludes that firm size has a significant positive effect on the extent of corporate social responsibility disclosure, meaning that as a company's total assets grow, the breadth and depth of its social responsibility disclosure tend to grow with it. In contrast, profitability, board of commissioners size, public ownership, and foreign ownership each show no significant partial effect on disclosure extent. Even so, when the five variables are considered together, they significantly and jointly influence the extent of disclosure and explain 38.9 percent of its variation, indicating that these determinants operate collectively even though most of them do not carry independent explanatory weight in isolation. The overall pattern reinforces the conclusion that, within the Indonesian manufacturing sector, firm scale rather than governance structure or ownership composition is the dominant driver of how much a company chooses to disclose about its social responsibility performance.

5.1. Limitations

This study is subject to several limitations that should be considered when interpreting its findings. First, the sample is restricted to manufacturing companies listed on the Indonesia Stock Exchange over a three year window, so the results may not generalize to other sectors or to a longer time horizon that captures different economic cycles. Second, the study relies on five firm level and governance level variables, which together explain only 38.9 percent of the variation in disclosure extent, indicating that other relevant factors, such as industry sub-sector, media exposure, audit committee characteristics, or the presence of a dedicated sustainability committee, remain unexamined and could usefully be incorporated in future models. Third, the disclosure index used here, like most content analysis-based measures, reflects the breadth of items disclosed rather than the depth, accuracy, or verifiability of the underlying information, so a company could score well on the index while still providing information of limited decision usefulness.

Future research is encouraged to extend the observation period, to include comparative sectors beyond manufacturing, to incorporate additional governance variables such as audit committee expertise and sustainability committee presence, and to complement the disclosure index with qualitative measures of disclosure quality. Companies are encouraged to minimize delays in submitting annual reports to the Indonesia Stock Exchange and to pay closer attention to the completeness of social responsibility information within those reports, while investors are encouraged to look beyond ownership composition alone and to engage more directly with company operations when forming a judgment about a firm's social responsibility conduct.

5.2. Contributions

Theoretical Contribution

This study contributes to the disclosure literature by testing agency, stakeholder, legitimacy, and signaling theory together within a single empirical model applied to Indonesian manufacturing firms, rather than relying on a single theoretical lens as much of the prior literature has done. The finding that firm size dominates while governance and ownership variables lose significance once combined in one model suggests that legitimacy pressure tied to operating scale may be a more powerful driver of disclosure extent in this setting than the monitoring mechanisms emphasized separately by agency theory, a nuance that is difficult to observe when each determinant is tested in isolation as in much of the earlier literature (Ali et al., 2017; Seow, 2024).

Practical Contribution

For company management, particularly in small and medium-sized manufacturing firms, the results suggest that expanding corporate social responsibility disclosure need not wait until governance structures or ownership composition change, since disclosure practice can be strengthened directly through better internal reporting processes and a clearer sustainability reporting framework, regardless of board size or shareholder composition. For investors and financial analysts, the study offers a more precise basis for weighing company scale when comparing disclosure extent across manufacturing firms.

Policy Contribution

From a policy perspective, the results suggest that regulators such as the Financial Services Authority and the Indonesia Stock Exchange could consider scaling disclosure expectations and support, such as reporting templates or capacity building programs, according to company size, since smaller manufacturing companies may need more structured guidance to reach the same disclosure standard that larger companies already meet through scale-related resources and visibility pressure alone.

In summary, this study demonstrates that among firm size, profitability, board of commissioners size, public ownership, and foreign ownership, only firm size exerts a statistically significant partial influence on the extent of corporate social responsibility disclosure among Indonesian manufacturing companies, while all five variables together remain jointly significant and explain a moderate share of the variation observed. These results extend the theoretical understanding of disclosure behavior in an emerging market context, offer practical guidance for managers and investors, and provide a basis for regulators seeking to design more size sensitive disclosure policy.

Generative AI Statement

The authors declared that Generative AI was used in the creation of this manuscript. The authors affirm that, while generative AI (Copilot) was used to support the drafting process, all intellectual contributions, data interpretation, and final revisions were undertaken by the authors. Responsibility for the accuracy, originality, and integrity of the content rests solely with the authors.

Abbreviations
IDX: Indonesia Stock Exchange
CSR: Corporate Social Responsibility
GRI: Global Reporting Initiative
VIF: Variance Inflation Factor
ROA: Return on Assets

Authors' Contribution
All authors contributed equally to the conceptualization, data analysis, and writing of this manuscript, with Vina Mulia Dayanti serving as the lead author responsible for data collection and regression analysis, and Dominikus Kopong Duli and Maximus Leonardo Taolin contributing to supervision, theoretical framing, and manuscript review.

Conflict of Interest
The authors declare no conflicting interest in this study.

Funding
This research received no external funding.

Availability of data and materials
The data supporting this study consist of publicly available annual reports downloaded from the official website of the Indonesia Stock Exchange (IDX). The compiled data set can be requested from the corresponding author, stating the reason for the data request.

REFERENCES

Akhter, F., Hossain, M. R., Elrehail, H., Rehman, S. U., & Almansour, B. (2022). Environmental disclosures and corporate attributes, from the lens of legitimacy theory: A longitudinal analysis on a developing country. *European Journal of Management and Business Economics, 32*(3), 342-369. https://doi.org/10.1108/EJMBE-01-2021-0008

Alam, Z., & Tariq, Y. B. (2022). Corporate social responsibility disclosure quality and firm financial performance: Evidence from an emerging economy. *Global Business Review*, Advance online publication. https://doi.org/10.1177/09721509221131729

Ali, W., Frynas, J. G., & Mahmood, Z. (2017). Determinants of corporate social responsibility (CSR) disclosure in developed and developing countries: A literature review. *Corporate Social Responsibility and Environmental Management, 24*(4), 273-294. https://doi.org/10.1002/csr.1410

Awa, H. O., Etim, W., & Ogbonda, E. (2024). Stakeholders, stakeholder theory and corporate social responsibility (CSR). *International Journal of Corporate Social Responsibility, 9*, Article 11. https://doi.org/10.1186/s40991-024-00094-y

Ben Fatma, H., & Chouaibi, J. (2021). Corporate governance and CSR disclosure: Evidence from European financial institutions. *International Journal of Disclosure and Governance, 18*(4), 346-361. https://doi.org/10.1057/s41310-021-00117-1

Das, S. K., Miah, M., Miah, M. R., Akter, D., & Hossain, T. (2021). Sustainability reporting disclosure practices among Bangladeshi companies in line with Global Reporting Initiatives. *Asian Journal of Accounting Perspectives, 14*(1), 1-22. https://doi.org/10.22452/AJAP.vol14no1.4

Fathihani, Santoso, N., Sulistiyowati, R., & Veronica, M. (2025). ESG disclosure and financial performance: The moderating role of firm size in Indonesian banking sector. *Shirkah: Journal of Economics and Business, 10*(3), 331-348. https://doi.org/10.22515/shirkah.v10i3.960

Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. Cambridge University Press. https://doi.org/10.1017/CBO9781139192675 (Original work published 1984)

Fuadah, L. L., Mukhtaruddin, M., Andriana, I., & Arisman, A. (2022). The ownership structure, and the environmental, social, and governance (ESG) disclosure, firm value, and firm performance: The audit committee as moderating variable. *Economies, 10*(12), Article 314. https://doi.org/10.3390/economies10120314

Gupta, S., Vaishali, & Kumar, R. (2025). Which ownership structure will sustain sustainability? An empirical examination of ESG disclosure. *International Journal of Disclosure and Governance, 22*(3), 759-775. https://doi.org/10.1057/s41310-024-00266-z

Handayati, P., Sumarsono, H., & Narmaditya, B. S. (2022). Corporate social responsibility disclosure and Indonesian firm value: The moderating effect of profitability and firms' size. *Journal of Eastern European and Central Asian Research, 9*(4), 703-714. https://doi.org/10.15549/jeecar.v9i4.940

Hussain, N., Khan, S. A., Nguyen, D. K., Stocchetti, A., & Corbet, S. (2025). Board-level governance and corporate social responsibility: A meta-analytic review. *Journal of Economic Surveys, 39*(1), 3-31. https://doi.org/10.1111/joes.12603

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics, 3*(4), 305-360. https://doi.org/10.1016/0304-405X(76)90026-X

Kristiawan, N. B. (2024). The relationship between ownership concentration, firm size, and corporate social responsibility disclosure in Indonesian manufacturing companies. *International Research Journal of Economics and Management Studies, 3*(5), 247-252. https://doi.org/10.56472/25835238/IRJEMS-V3I5P130

Li, J., & Sasaki, M. (2024). The impact of state ownership on corporate social responsibility reporting: A comparison between state-owned and non-state-owned enterprises in China. *Management Communication Quarterly, 38*(3), 504-533. https://doi.org/10.1177/08933189231209727

Lui, T. K., & Zainuldin, M. H. (2022). Do foreign banks disclose corporate social responsibility practices more than their local counterparts? Empirical evidence of an emerging market context. *Corporate Social Responsibility and Environmental Management, 29*(5), 1855-1870. https://doi.org/10.1002/csr.2332

Mai, M. U., Sudradjat, & Sembiring, E. E. (2023). Board characteristics, state ownership, and corporate social responsibility: Evidence from Indonesian Islamic banks. *Cogent Economics & Finance, 11*(2), Article 2266323. https://doi.org/10.1080/23322039.2023.2266323

Meiryani, Huang, S. M., Soepriyanto, G., Jessica, Fahlevi, M., Grabowska, S., & Aljuaid, M. (2023). The effect of voluntary disclosure on financial performance: Empirical study on manufacturing industry in Indonesia. *PLOS ONE, 18*(6), Article e0285720. https://doi.org/10.1371/journal.pone.0285720

Nguyen, V. H. (2025). Corporate social responsibility disclosure and firm value: A signaling theory perspective. *Journal of Economics and Development, 27*(2), 114-128. https://doi.org/10.1108/JED-02-2024-0067

Nugraheni, P., Indrasari, A., & Hamzah, N. (2022). The impact of ownership structure on CSR disclosure: Evidence from Indonesia. *Journal of Accounting and Investment, 23*(2), 229-243. https://doi.org/10.18196/jai.v23i2.14633

Qaderi, S. A., Alhmoud, T. R., & Ghaleb, B. A. A. (2020). Audit committee features and CSR disclosure: Additional evidence from an emerging market. *International Journal of Financial Research, 11*(5), 226-239. https://doi.org/10.5430/ijfr.v11n5p226

Reschiwati, R., Idayanti, I., & Sayekti, F. (2026). Exploring the moderating role of firm size on corporate governance and CSR disclosure in Indonesian listed companies. *Greenation International Journal of Economics and Accounting, 4*(3), 530-543. https://doi.org/10.38035/gijea.v4i3.941

Risal, Giriati, Wendy, & Malini, H. (2023). Firm size, profitability, and ESG disclosure in Indonesia: Geographical location as moderating variable. *International Journal of Economics Development Research, 4*(5), 2333-2348. https://doi.org/10.37385/ijedr.v5i2.5002

Sahasranamam, S., Arya, B., & Sud, M. (2020). Ownership structure and corporate social responsibility in an emerging market. *Asia Pacific Journal of Management, 37*(4), 1165-1192. https://doi.org/10.1007/s10490-019-09649-1

Seow, R. Y. C. (2024). Determinants of corporate social responsibility (CSR) disclosure: A systematic literature review. *Journal of Economics and Sustainability, 6*(2), 37-67. https://doi.org/10.32890/jes2024.6.2.3

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review, 20*(3), 571-610. https://doi.org/10.2307/258788

Xu, R., Liu, J., & Yang, D. (2023). The formation of reputation in CSR disclosure: The role of signal transmission and sensemaking processes of stakeholders. *Sustainability, 15*(12), Article 9418. https://doi.org/10.3390/su15129418