ANALYSIS OF FACTORS THAT INFLUENCE CORPORATE SOCIAL RESPONSIBILITY WITH INSTITUTIONAL OWNERSHIP AS MODERATING VARIABLES ON MINING COMPANIES LISTED ON INDONESIA STOCK EXCHANGE (IDX) (2013-2016 PERIOD)

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ABSTRACT
This study aims to analyze the effect of profitability, leverage, firm size, board size, and company age on corporate social responsibility with institutional ownership as a moderating variable in mining companies listed on the Indonesia Stock Exchange. The population and sample in this study are mining companies that publish annual reports and annual reports from 2013-2016 which amount to 32 companies. The sampling method was purposive sampling, so the number of units of analysis used amounted to 128 observation samples. The type of data in this study is secondary data obtained from the IDX website, www.idx.co.id. The data analysis method used is the method of multiple linear regression analysis and residual test. The results showed that simultaneously, profitability, leverage, company size, board size, and company age had a significant effect on corporate social responsibility. But partially only the size of the company and the age of the company have a positive and significant influence on corporate social responsibility. While profitability, leverage, and the size of the board of commissioners do not affect corporate social responsibility. Residual testing, institutional ownership variables as the moderating variable in this study cannot moderate the relationship between profitability, leverage, company size, board size, and company age on corporate social responsibility.

Keywords: Profitability, Leverage, Company Size, Board of Commissioners Size, Company Age, Institutional Ownership, Corporate Social Responsibility

1. INTRODUCTION
Corporate social responsibility is an ongoing commitment by business community to act ethically and contribute to the development of the economy and the local community or the wider community, together with the improvement of living standards of its workers and their families (Wibisono, 2007). CSR is also a phenomenon of corporate strategy which is primarily intended to accommodate the needs and interests of stakeholders. Therefore, stakeholders are expected to know information related to CSR programs carried out by the company (Andreas Tan, 2016). Some of the case phenomena in Indonesia are related to the problems that arise because companies in carrying out their operations pay little attention to the conditions and the surrounding environment, for example in mining companies that do not conduct corporate social responsibility correctly, namely:

<table>
<thead>
<tr>
<th>No</th>
<th>Name of the Company</th>
<th>Environmental Pollution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adaro Energy, Tbk (ADRO)</td>
<td>Villagers in Lasung, South Kalimantan complained about the condition of four tributaries in their area because the</td>
</tr>
</tbody>
</table>
water source to irrigate the fields and plantations of the residents was allegedly contaminated by mining activities carried out by the company PT Adaro Indonesia (Source: Banjarmasin.tribunnews.com).

2 Elnusa, Tbk (ELSA)  
Bursts of mud containing gas unsettled residents of Pijoan Village, Muarojambi Regency, which was feared to come from PT Elnusa's seismic activities. The economic impact of people's brick production is disrupted. Land sources of raw materials are submerged in mud. (Source: news.metrotvnews.com)

3 Bara Multi Sukses Sarana, Tbk (BSSR)  
Demonstrations by activists of the Aliansi Garda Nusantara and the rescue of Kalimantan Forest in front of the Ministry of Environment Office in Jakarta, rejected the activities of the coal mining company PT Bara Multi Sukses Sarana. Where coal mining operations in Tapin Regency, South Kalimantan, have an impact on the habitat of long nose monkeys or proboscis monkeys. (Source: banjarmasin.tribunnews.com)

4 Energi Mega Persada, Tbk (ENRG)  
In April 2018, the EMP company was accused of neglecting the environment in the company's operations in managing oil and gas and causing a decline in the location of the land. (Source: detakindonesia.co.id)

5 Vale Indonesia, Tbk (Vale)  
Hundreds of residents of Harapan Village and Pasi-Pasi Village in Malili District, East Luwu Regency protested against PT Vale Indonesia which had polluted the environment with an oil spill in the Lampia Sea. (Source: Gatra.com).

Corporate social responsibility can also be influenced by the size of profitability, which is generated by the company. Profitability is the main ratio in all financial statements, because the main purpose of the company is the results of operations / profits. In addition to profitability, leverage can also affect corporate social responsibility. Leverage is a structure that involves corporate finance, where the financial structure is how the company funds its activities. Companies with a high level of leverage mean that they are very dependent on external loans to finance their assets.

One variable indicator to be able to see the corporate social responsibility of a company to the environment or the surrounding community, that is by looking at the size of a company. Company size is one variable that is widely used to explain the variance of disclosures in the company's annual report.

The greater the board size of commissioners, the collective experience and competence of the board of directors will increase, so that the information revealed by the management will be broader. Companies that have more experience will be more aware of stakeholder needs for information about the company. The age of the company has a positive relationship to CSR information in the annual report. Older companies have more experience in publishing annual reports on the Stock Exchange.
2. METHODS

This is a associative research with a form of causal relationship. The type of data used in this study is quantitative data. The data used is secondary data. Data collection method in this study is documentation of secondary data needed in the form of financial statements and annual reports of mining companies listed on the Indonesia Stock Exchange for the 2013-2016 period with a total of 128 observations. SPSS software is used in this research as a tool for data processing.

The data model and technique in this study used descriptive statistical tests. In the classical assumption test consists of normality, multicollinearity, heteroscedasticity, and autocorrelation. Then to test the hypothesis used is the coefficient of determination test (adjusted R2), F test (simultaneous) and t test (partial). And the moderating variable test is to find out whether the moderating variable can strengthen or weaken the relationship between the independent variable and the dependent variable. With the following equation:

\[
Y = \alpha + \beta_1 \cdot X_1 + \beta_2 \cdot X_2 + \beta_3 \cdot X_3 + \beta_4 \cdot X_4 + \beta_5 \cdot X_5 + \varepsilon \\
Z = \alpha + \beta_1 \cdot X_1 + \beta_2 \cdot X_2 + \beta_3 \cdot X_3 + \beta_4 \cdot X_4 + \beta_5 \cdot X_5 + \varepsilon \\
\varepsilon = \alpha + \beta_1 \cdot Y \\
\varepsilon = \alpha + \beta_2 \cdot Y \\
\varepsilon = \alpha + \beta_3 \cdot Y \\
\varepsilon = \alpha + \beta_4 \cdot Y \\
\varepsilon = \alpha + \beta_5 \cdot Y
\]

Information:

\( Y \) = Corporate Social Responsibility
\( \alpha \) = Constant
\( \beta_1, \ldots, \beta_5 \) = Regression Coefficient
\( X_1 \) = Profitability
\( X_2 \) = Leverage
\( X_3 \) = Company size
\( X_4 \) = Board size of commissioners
\( X_5 \) = Company Age
\( Z \) = Institutional ownership
\( \varepsilon \) = Error or confounding variable

The results of the data processing above are to answer the hypothesis in this study which consists of:
1. Profitability, leverage, company size, board size of commissioners, company age affect simultaneously and partially corporate social responsibility in mining companies listed on the IDX.
2. Institutional ownership can moderate the relationship between profitability, leverage, company size, board size of commissioners, company age and corporate social responsibility to mining companies listed on the IDX.
3. RESULT

3.1. Coefficient Of Determination Test (R² Test)

The determination coefficient shows the amount of contribution of the independent variable to the dependent variable. It is known that the coefficient of determination (R-squared) is $R^2 = 0.271$. This value can be interpreted as a variable profitability, leverage, firm size, board size of commissioners, company age, simultaneously able to influence CSR by 27.1%, the remaining 72.9% is explained by other variables or factors.

3.2. Simultaneous Effect Significance Test (F Test)

The overall hypothesis testing is done using the F test, which aims to determine the effect of all independent variables simultaneously on the dependent variable. Probability value is known (F-statistics), that is $F$-statistics, that is $0.0000 < 0.05$, it can be concluded that all independent variables, namely profitability, leverage, firm size, board size of commissioners, company age simultaneously have a significant effect on CSR.

3.3. Partial Influence Test (T Test)

Partial hypothesis testing aims to determine the effect of each independent variable on the dependent variable. Panel data of regression equation is obtained as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

$$Y = -41,904 - 11,275X_1 - 1,222X_2 + 5,290X_3 + 1,283X_4 + 0,183X_5 + \epsilon$$

Based on the regression equation above, it is known:

1. The coefficient value of profitability is -11.275, which is negative. This value can be interpreted as profitability negatively affecting corporate social responsibility. Given the value of Sig $0.203 > 0.05$, profitability does not significantly influence corporate social responsibility.
2. The coefficient value of leverage is -1.222, which is negative. This value can be interpreted as leverage negatively affecting corporate social responsibility. Given the value of Sig $0.303 > 0.05$, leverage does not have a significant effect on corporate social responsibility.
3. The coefficient value of the company size is 5.290, which is positive. This value can be interpreted as the size of the company has a positive effect on corporate social responsibility. It is known that the Sig value is $0.005 < 0.05$, so the size of the company has a significant effect on corporate social responsibility.
4. The coefficient value of the board size of commissioners is 1.283, which is positive. This value can be interpreted as the board size of commissioners has a positive effect on corporate social responsibility. Given the value of Sig $0.058 > 0.05$, the size of the board of commissioners does not have a significant effect on corporate social responsibility.
5. The coefficient value of the company's age is 0.183, which is positive. This value can be interpreted as the company's age has a positive effect on corporate social responsibility. It is known that the Sig value is $0.004 < 0.05$, so the age of the company has a significant effect on corporate social responsibility.

4. Moderating Variable Test
a. Test of Institutional Ownership in Moderating the Effect of Profitability on CSR

The results of the moderation test of ABS_RES_ZX1 are stated in the following equation:

$$|e| = 8,530 - 0,009Y + \varepsilon$$

In moderation testing with a residual test approach, a variable is said to moderate the independent variable if the non-independent variable regression coefficient (Y) is negative and significant (Ghozali, 2013). That the CSR coefficient is -0.009 (negative), but not significant (Sig. 0.824 > 0.05). This means that institutional ownership is not significant in moderating the effect of profitability on CSR.

b. Test of Institutional Ownership In Moderating Effect of Leverage to CSR

The results of the moderation test of ABS_RES_ZX2 are stated in the following equation:

$$|e| = 8,694 - 0,013Y + \varepsilon$$

The coefficient value of CSR is -0.013 (negative), but not significant (Sig. 0.729 > 0.05). This means that institutional ownership is not significant in moderating the influence of leverage on CSR.

c. Test of Institutional Ownership In Moderating Effect Against CSR Company Size

The results of the moderation test of ABS_RES_ZX3 are stated in the following equation:

$$|e| = 7,146 + 0,028Y + \varepsilon$$

The coefficient value of CSR is 0.028 (positive) and not significant (Sig. 0.419 > 0.05). This means that institutional ownership is insignificant in moderating the influence between company size and CSR.

d. Test of institutional ownership in moderating the influence of the size of the Board of Commissioners on CSR

The results of the moderation test of ABS_RES_ZX4 are stated in the following equation:

$$|e| = 8,397 - 0,005Y + \varepsilon$$

The coefficient value of CSR is -0.005 (negative) but not significant (Sig. 0.894 > 0.05), this means that institutional ownership is not significant in moderating the influence between the size of the board of commissioners on CSR.

e. Test of Institutional Ownership in Moderating the Influence of Company Age on CSR

The results of the moderation test of ABS_RES_ZX5 are stated in the following equation:
The coefficient value of CSR is 0.008 (positive) and not significant (Sig. 0.820 > 0.05), this means that institutional ownership is insignificant in moderating the influence of the company's age on CSR.

5. DISCUSSION

5.1. Profitability Does Not Affect Corporate Social Responsibility

The results of this study indicate that the variable profitability does not affect corporate social responsibility. The results of this study are consistent with the research conducted by Selly (2015) which states that profitability does not have a significant influence on corporate social responsibility. ROA describes the level of profitability of the company, thus the level of profitability of the company does not affect the extent of CSR disclosure. That is, that companies that have high profitability are not necessarily do more social activities because the company is profit oriented.

5.2. Leverage Doesn't Affect Corporate Social Responsibility

The results of this study indicate that the leverage variable does not affect corporate social responsibility. The results of this study are consistent with the research conducted by Meita (2015) which states that companies with high leverage make companies do not need to disclose corporate social responsibility widely. Kadek (2015) in his study also stated that leverage does not significantly influence corporate social responsibility because the higher the level of leverage, the greater the chances of the company to report higher profits, so that it will reduce other costs including CSR disclosures.

5.3. Company Size Affects Corporate Social Responsibility

The results of this study indicate that the company size variable influences corporate social responsibility. The results of this study are consistent with Riantri's (2011) research which states that companies with large categories disclose CSR information more than other companies that are not included in the category of large companies. Aditya (2016) also found that company size has a significant effect on corporate social responsibility.

The results of this study also support agency theory which generally states that the greater the size of the company, the wider CSR disclosure will be. Agency theory which states that the larger a company, the higher the agency costs. To reduce agency costs, companies will tend to disclose broader information.

5.4. The Board Size of Commissioners Does Not Affect Corporate Social Responsibility

The results of this study indicate that the board size variable does not affect corporate social responsibility. The results of this study are consistent with the research of Desrir (2013) and Thio (2014) which states that the size of the board of commissioners does not affect corporate social responsibility. This is presumably because the board of commissioners is the representative of shareholders in the company that functions to oversee the management of the company carried out by management. As a representative of the board of Commissioners shareholders will
make the policy of using the company's profit for the operational effectiveness of the company which is more profitable than doing social activities.

5.5. **Company Age Affect Corporate Social Responsibility**

The results of this study indicate that the variable company age influences corporate social responsibility. The results of this study are consistent with Dita (2014) which states that company age has a significant effect on corporate social responsibility. This shows that older companies have more experience in publishing annual reports. In addition, companies that have a longer operating experience will also be more aware of their consistent needs for information about the company. Such companies will disclose information that is useful even if it is not required by regulation.

5.6. **The Effect of Institutional Ownership in Moderating the Effect of Profitability, Leverage, Company Size, Board of Commissioners, Company Age on Corporate Social Responsibility**

The testing of moderating variables in this study is managerial ownership, which we examine the effect on partially independent variables to see whether managerial ownership variables can strengthen or weaken the interaction between variables. Based on the results of the above research, it was concluded that institutional ownership cannot moderate the relationship between profitability, leverage, firm size, board size of commissioners and company age to corporate social responsibility. The inability of institutional ownership to moderate the independent factors was due to the lack of institutional ownership in the sample companies, as many as 32 companies out of a total of 44 with a small proportion of election which did not moderate it. In mining companies taken as samples in this study, it can be seen that there are companies with very small percentage of institutional ownership, which is under 10\%, the company is (BSSR, BYAN, CNKO, PSAB). While companies that have a fairly high percentage of institutional ownership are only owned by a few companies, namely the SMMT company in 2013-2016 with a percentage of 46.55\%, CTTH in 2015 with a percentage of 44.88\%, and ESSA in 2016 with a percentage of 44.65\%.

Although institutional ownership cannot act as a moderating variable in this study, institutional ownership is actually very important in a company. Institutional ownership is one of the factors that can affect a company's performance. With the existence of ownership by institutional investors will encourage an increase in more optimal supervision of management performance, because share ownership represents a source of power that can be used to support or otherwise to management performance.

6. **CONCLUSION**

In accordance with the results of the data analysis conducted can be obtained several conclusions, including:

1. Simultaneously the effect of profitability, leverage, company size, board size of commissioners, company age has a significant effect on corporate social responsibility.
2. Partially profitability does not affect corporate social responsibility. Profitability is negative. Where the value of profitability increases, the provision of corporate social responsibility does not increase.
3. Partially leverage does not affect corporate social responsibility. Leverage is negative. Where the leverage value rises, then the provision of corporate social responsibility does not increase.

4. Partially the size of the company affects corporate social responsibility. Firm size is positive. If the size of the company grows, the provision of corporate social responsibility increases.

5. Partially the board size of commissioners does not affect corporate social responsibility. The board size of commissioners is negative. Where if the size of the board of commissioners increases, the provision of corporate social responsibility is also increasing.

6. Partially the company age affects corporate social responsibility. The age of the company is negative. Where if the age of the company is longer, then the provision of corporate social responsibility also increases.

7. Institutional ownership is not able to moderate the relationship between profitability, leverage, company size, board size, company age and corporate social responsibility.

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