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Factors That Affect the Disclosure of Corporate Social Responsibility in Real Estate Company Listed in IDX for 2013-2016

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Abstract

This research objective is to identify the factors that affect the Disclosure of Corporate Social Responsibility (CSR) in the annual report by examining several factors like profitability, leverage, age, commissioner size, and company age. This research is using quantitative method with multiple regression. The research took 41 real estate company listed in the IDX with 164 observations from year 2013 until 2016. This study shows that company's size and leverage have a positive effect on the disclosure of CSR. There is not any effect of profitability, commissioner size and company's size on the disclosure of social responsibility.

Keywords: *Profitability. Leverage, Company Size, Commissioner Size, Company Age, CSR, Corporate Social Responsibility Disclosure*

1. Introduction

Recently companies become more aware about Corporate Social Responsibilities (CSR) since stakeholders pay more attention not only the fundamental problem of the company, but also the company's contribution to the surrounding environment and society. It drives companies to be more responsible and also pay more attention to aspects of CSR in their companies. The implementation of CSR to their business has a good effect on image and also competitive points (Ruf et al. 2001)

In Indonesia, CSR practices have received considerable attention. This is motivated by cases that arise from companies that do not pay attention to social aspects such as environmental pollution cases due to massive exploitation of natural resources, increased pollution and waste, poor product quality and product safety. PT Lapindo mud pollution, pollution by PT. Newmont in Buyat Bay, the conflict between Papuans and PT. Freeport Indonesia are the example of exploitation cases in Indonesia.

Profitability is an indicator of the performance performed by management in managing corporate wealth shown by the resulting profit (Sudarmadji and Sularto (2007) in Rofiqkoh and Priyadi, 2016). So one of the goals of the company doing CSR is to achieve profits that will be able to improve the welfare of shareholders (Rofiqkoh and Priyadi, 2016). As Heinze (1976) in Heckston and Milne (1996) in Fahrizqi (2010) states profitability can be one of the factors that could give the manager freedom and also flexibility in the disclosure of social responsibility. Therefore researcher believed that profitability can be the factors that can affect the disclosure of CSR.

Large-scale companies cannot avoid the pressure, because the activities of large companies tend to get more attention from the public (Worotikan et al., 2015). To maintain the stability and condition, the company will maintain and continue to improve its performance, moreover large enterprise operations can have a major impact on society (Wijaya, 2012). Purwanto (2011) research results the company size is significantly influencing corporate social responsibility disclosure. In line with this statement, it said that company size does have significant effect on the disclosure of CSR.

Leverage provides the analysis of the company’s equity structure. It can also be seen as the level of risk of uncollectible debt. Marzully and Priantina (2012) stated that companies with high leverage make companies tends to disclose corporate social responsibility widely. Result of Wardani (2013), Rofiqkoh and Priyadi (2016), and Sembiring (2003) research stated that leverage have positive significant on the disclosure of CSR.

Sembiring (2005) states that the bigger size of commissioner board members, means it will be easier to control the CEO and the supervision activities will be more effective. Therefore the pressure to the management to disclose the information will also greater (Rahmawati, 2010). As the result from previous research Chariri and Nugroho (2011) and Sembiring (2005) stated that the size of the board of commissioners has a significant positive effect on CSR disclosure.

Age of the company can show that the company still exists and can compete with other companies. It is expected that the age to have a positive relationship with voluntary disclosure because according to Sri and Sawitri in Andrayani (2016) that the longer the company operates, the public will know more information about the company. This supported by Saputro (2013) research that results that there is significant impact of the company’s age to the CSR Disclosure.

The construction has an impact on both living things and on the environment. The negative impacts resulting from housing construction are the occurrence of flood problems, waste management, and other environmental concerns requiring special attention as well as some of the key environmental issues in housing development. Impacts on the environment include floods, drought, soil erosion, environmental pollution, the deaths of certain types of plants and animals. Property companies are believed to need a better image of the community as they are vulnerable to political influence and criticism from social activists, therefore company needs social responsibility as one of the ways to get the better image.

Concerns from many parties about the implementation of CSR starting from 2013 because the emergence of Government Regulation No. 47 of 2012 on Social Responsibility and Environment Limited Company became the foundation of researcher to start research year in

2013. In the regulation mentioned that the CSR budget authority submitted completely to the company based on decency and fairness. Another reason is due to the emergence of CSR Forum in 2013 which is considered to be a media channeling CSR companies in every province and district (Diredja, 2012). CSR Forum is a Social Welfare Forum established under the Minister of Social Affairs Regulation No. 13 of 2012, after its national management has been established

This paper want to examine about the factors that affecting the disclosure of CSR in the annual report. From the phenomena that occurred and from the results of previous research there are several variables that affect CSR disclosure still shows different results. Therefore, this time the research want to take the challenge to find the factor of CSR disclosure in the real estate company in Indonesia.

2. Literature Review

2.1 CSR

The term of Corporate Social Responsibility (CSR) appear as a tangible form of the implementation of corporate obligations on the social environment. The ISO 26000 draft of 2010, as the guide for social responsibility, it defines CSR as the form of organization's responsibility for their operating activities impacts on society and the environment. It delivers in the form of transparency and also ethical behavior that consistent with the development of sustainable and also the welfare of the community. This responsibility is also done by considering the interests of stakeholders and also the applicable law which is consistent with the norms of conduct.

Septiana in Rofiqkoh and Priyadi (2016) define CSR is the action taken by the company as the responsibility form to the social and environment around the company is located. CSR is an action of the corporate in an effort to raise public interest by paying attention to three bottom line that introduced by Elkington (1998) which consist of people, planet, and profit. From these definition above can be concluded that CSR is a form of corporate social responsibility actions for all activities that have been done by participating in contributing positively to society and the environment.

2.2 Stakeholders Theory

Stakeholders are all parties both internal and external that have good relationships and being influential or influenced, directly or indirectly by the company (Hadi, 2011). Stakeholders are parties interested in companies that include employees, consumers, suppliers, communities, and government as regulators, shareholders, creditor, competitors, and others (Purwanto, 2011: 14).

Stakeholders Theory is a theory that states that companies not only operate to fulfill their own interests but also have to give the benefits to all interested parties. (Purwanto, 2011:14). As Rustiarini (2011) stated that stakeholder theory states that the survival of the company depends on the support of stakeholders that influence or influenced by corporate activity. It can be said that the company is responsible to the social and environmental around it not only to the owners. There are several reasons for companies to pay attention to the interests of the stakeholders according to Soelistyoningrum and Nur (2011), namely:

1. Environmental matter involving the various groups' interests in society because it can disrupted the quality of their lives.

2. This era where the products are encouraged to be to environmentally friendly.

3. Investors have the tendency to choose companies with their own developed environmental policies and programs.

4. The increase of the criticism to company that less concerned about environmental issues by the NGOs and environmentalists.

2.3 Agency Theory

Jansen and Meckling (1976, p.4) in Fahrizqi (2010) states that agency relationships are a contract in which one or more people (principals) involve other people (agents) to do some services on their behalf which involve delegating some decision-making authority to the agent. In the agency relationship, there are factors that can affect the disclosure of corporate social responsibility that is the cost of supervision and contract costs. Suaryana (2011) in Rofiqkoh and Priyadi (2016) states that, firms with low contract costs and low supervisory fees tend to report lower profits or in other words will incur costs for the benefit of management (one of which costs can improve the company's reputation in the eyes of the public which the costs also can be associated with corporate social responsibility).

2.4 Legitimacy Theory

According to Gray et al in Hadi (2011) stated that the rationale of this theory is an organization or company will continue its existence if the community realizes that the organization operates in accordance with the value system of society itself. Organizational legitimacy by O'Donovan (2002) is a potential source for organizations in order to survive. Organizational legitimacy is something that the company wants and sought from the community or something that the community gives to the organization. Therefore, according to Hidayati and Murni (2009), the effort of the company to gain legitimacy from investors, companies can increase stock returns for investors. To gain legitimacy from creditors, the company enhances its ability to recover debts. To gain legitimacy from consumers, the company constantly improves the quality of products and services. To gain legitimacy from the government, the company adheres to all legislation set by the government. To gain legitimacy from society, the company engages in activities as a form of social responsibility.

2.5 Company Profitability

Profitability is a company's ability to generate profit over a certain period (Munawir, 2004). Harahap (2008) defines profit as the depiction of a company's ability to earn profit through all existing resource capabilities such as sales, cash, capital, number of employees, number of branches, and so on. Profitability is the ability of companies to earn profits, the greater the rate of profit / profit, the better the management in managing the company (Sutrisno, 2003: 222).

2.6 Return on Equity

The general meaning of Return on Equity (ROE) according to Sartono (2012: 124) in Shiam (2017) is the ratio to measure the ability of companies to obtain profits available to shareholders of the company. This ratio is also influenced by the size of the company's debt, if the proportion of large debt then this ratio will be large. The other definition of ROE by Harjito and Martono (2010: 61) is that the Return on Equity is often called profitability over capital which meant to measure how much profit the owners' rights to own.

2.7 Leverage

According to Kasmir (2013), "leverage is the ratio used to measure how much the company's ability to pay all its obligations, either short-term or long term". Purnasiwi (2011: 10) states that leverage is a tool to measure how dependent the company to the creditor to financing the company's assets. Firms with high leverage levels means that they rely heavily on external loans to finance their assets. While companies that have lower leverage rates means they finance their assets with their own capital.

2.8 Debt Equity Ratio

Debt Equity Ratio is calculated by dividing the total debt (liabilities) of the company by the shareholders equity. According to Brigham and Houston in Shiam (2017), the DER is to measure the extent to which firms are financed with debt. The higher the DER means the composition of total debt is greater than the total capital itself, resulting in greater impact on the company's outsider (creditor). Debt to Equity Ratio (DER) is a measure of percentage of the funds provided by creditors.

2.9 Company Size

Company size is a variable that is widely used to explain the disclosure of corporate social responsibility made in the annual report made. Where firm size is a scale or value to classify the size of a company based on certain indicators, including total assets, log size, stock value, total labor, sales, and market capitalization. According Mulianti (2010), the size of the company has an important influence on the integration between the inside of the company, this is because the size of a large company has a larger support resources than smaller companies. In a small company then the complexity contained within the organization is also small. Cowen et al. in Priyadi (2016) stated that larger companies with greater operating and leverage activities will have shareholders who may be concerned about the company's social program and annual reports will be used to disseminate information on such corporate social responsibility.

2.10 Commissioner Size

The Board of Commissioners is a part of Public Companies that is generally responsible and / or specialized in accordance with the laws of the company. The Board of Commissioners has the responsible to supervising the management policies, the general management of the company, and advising the Board of Directors. This definition is based on Peraturan Otoritas Jasa Keuangan Nomor 33/POJK.04/2014 about Directors and Board of Emiten Commissioners or Public Companies. The composition of individuals working as members of the board of commissioners is important in monitoring management activities effectively (Fama and Jasen in Sitepu 2009). According to Coller and Gregor in Sitepu (2009) stated that the larger the board of commissioners the easier it will be to control the CEO and monitor, so that will be more effective. As a representative of the principle within the company, the board of commissioners can influence the extent of disclosure of social responsibility, because the board of commissioners is the highest implementer in the entity. (Nur and Priantina, 2012)

2.11 Company Age

The company’s age shows how long the company was formed and operating. According to Sri and Sawitri (2011) in Andrayani (2016) that the longer the company is in operation it will be the public will examine more information about the company. Companies that have long standing with high working hours will collect, process, and generate information about the company. (Untari, 2010) the age of the company is a factor affecting the company's performance in disclosing its social responsibility. Older companies may be better informed what should be disclosed in the annual report so that the company will only disclose information that will have a positive impact on the company (Dewi and Keni, 2013). If the age of the company is associated with CSR, the long-running company in its operations will tend to collect, process, and produce more and more complete CSR information. Under normal conditions, long-standing companies will have information management accounting more than the newly established company (Oktariani, 2013)

2.12 Hypothesis Development

Heinze (1976) in Heckston and Milne (1996) in Fahrizqi (2010) states that profitability is one of factors that can give the manager freedom and also flexibility in the disclosure of social responsibility. According to research conducted by Donovan and Gibson (2000) states that based on the theory of legitimacy, when companies have a high profit management considers do not require reporting things that can disrupt the information about the success of corporate finance and also vice versa. Arjanggie (2015) results a negative significant relationship of these variables. The other results came from Purwanto (2011), Purnasiswi (2011) and Rofiqkoh and Priyadi (2016) researches that results there is no significant effect from profitability to CSR Disclosure. Following the theory of legitimacy, then the hypothesis developed as follows:

H1: Profitability has a significant negative effect on the disclosure of Corporate Social Responsibility

The theory of legitimacy states that companies try to get public recognition that the business that the company has done is right (Magness, 2006). The larger the resources the company has, the greater the company's effort to gain legitimacy from all stakeholders. Legitimacy can be obtained by carrying out social responsibility and disclosing it in the report of the year (Rankin et al., 2011). Sembiring (2005: 381) states that large companies will not be free from pressure and more vigorous companies with operations and greater influence on society may have shareholders who pay attention to social programs made by companies so that corporate social responsibility disclosure will be wider. Therefore the hypothesis developed as follows:

H2: Company Size has a significant positive effect on the disclosure of Corporate Social Responsibility

According to the agency theory, company with high level of leverage will reveal more information rather than company with low leverage level. Jensen & Meckling (1976) in Purnasiwi (2011) states that leverage is a tool to measure the dependency of the company to the creditor for financing the company's assets. The level of corporate leverage, thereby describing the company's financial risk. Belkaoui and Karpik (1989) in Anggraini (2006: 9) suggest that the higher the debt ratio the more have bigger possibility to violate the credit agreement. For that reason, then the company will report bigger incomes now. So it can be concluded that the company with high leverage ratios has the necessity to do a wider disclosure rather than companies with low leverage ratios. In line with the results of Rofiqkoh and Priyadi (2016) and Purnasiwi (2011), therefore the hypothesis developed as follows:

H3: Leverage has a significant positive effect on the disclosure of Corporate Social Responsibility

Agency theory states that there is a distribution of tasks between shareholders and managers. The board of commissioners as representatives of shareholders acts as the supervisor of the company's performance, including the company's social performance. This is done to meet the interests of all stakeholders as stated in the stakeholder theory. The supervisory function is maximized if the number of commissioners getting bigger. Even though Djuitaningsih

(2012) and Krisna (2016) research results that there are no any impact of commissioner size in the CSR Disclosure, there are other research as Chariri (2011) and Sembiring (2005) that results the significant positive impact of the commissioner in CSR Disclosure Index. Therefore the hypothesis developed as follows:

H4: Commissioner Size has a significant positive effect on the disclosure of Corporate Social Responsibility

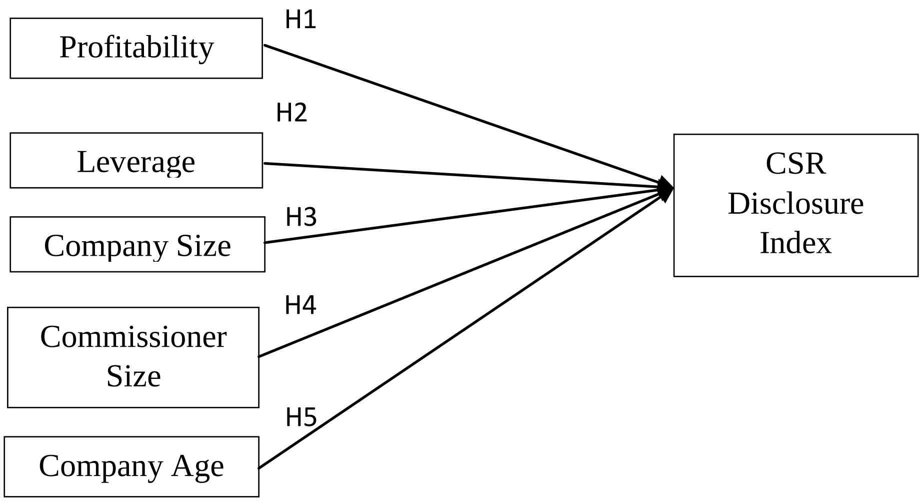
Widiastuti (2002) in Utami (2012) in Saputro (2013) states the age of the company can show that the company still exists and is able to compete. Thus, the age of the company can be associated with the financial performance of a company. Longer standing companies have more experience and examine their constituent needs for information about the company. With the social giving to stakeholders every year and sustainable, it is expected that the longer the company stands then to examine what its stakeholder wants. According to research of Sembiring (2005) and Andrayani (2016) the hypothesis developed as follows:

H5: Company Age has a significant positive effect on the disclosure of Corporate Social Responsibility

2.13 Theoretical Framework

Figure 2.1

Theoretical Framework (Source: Researcher, 2017)



3. Result and Discussion

3.1 Descriptive Analysis

Table 4.1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROE	164	-.15	.72	.1128	.12342
CSRI	164	.05	.60	.3020	.11591

LOG_ASSET	164	11.39	17.64	14.6973	1.41687
LEVERAGE	164	.01	2.23	.6984	.46911
COMM	164	2.00	22.00	4.5732	3.08780
AGE	164	10.00	47.00	28.50	7.30283
Valid N (list wise)	164				

The value of variable corporate social responsibility disclosure in this table means when index have greater value of corporate social responsibility then the companies reveal more items of corporate social responsibility. Based on the calculation, it is examine that the average of CSR disclosure in this sample is 0.3020, also can be seen the average only disclose 23.5 of 78 total items. The minimum value is 0.05 means the lowest disclosure in this sample is only 4 of 78 items of disclosure. The maximum value is 0.60 or 60% which can also means the highest disclosure in this sample is 47 of 78 items.

The profitability in this research was proxied by Return on Equity. ROE is the ability of the company to generate profits by using the equity that has been invested by shareholders. ROE provides an overview of the company's profitability to the amount of its equity. The greater the ROE means the more effective a company. Based on the calculation, it is examine that the average of ROE in this sample is 0.1128 which means on average the company can generate net income up to 0.1128 or 11.28% of the total equity that the company has. The minimum value is -0.15 means the lowest effectiveness in this sample is -15% means the company not managing their equity well to generate profit since the company loss resulting in the minus ratio and the loss is up to 15% of the total equity that the company has. The maximum value is 0.72 means the highest ability of company to generate profit is 72% of its equity.

Leverage used to measure how big the company depends on the creditor to financing the company's assets. Based on the calculation, it is examine that the average of DER in this sample is 0.6984, also can be seen as the average dependency of the companies in the sample to the debt for financing their assets is 69.84%. The minimum value is 0.01 means the lowest dependency on the debt of this sample is 1% means it is the debt only financing the equity as big as 1%. The maximum value is 2.23 means the highest dependency of the company to their debt is 223%, means the debt is way bigger than the equity and they used the debt finance the company as big as 223%, which means company is very dependent towards its debt.

From the descriptive statistics table above consisting of 164 corporate samples, the Log of Company Size variable has an average of 14.9673 during the period from 2013 to 2016. Which means during the research period the average size of the company is the company with natural log of asset 14.9673 or around 3.164.000.000.000 The biggest company size is by PT Lippo Karawaci Tbk in 2016 for 17.64 means it has the biggest company size in the research period is 45.604.000.000.000 and the lowest value of 11.39 came from PT Metro Realty Tbk in 2015 means in that year the company with total asset 88.173.000.000 is the smallest size when compared with all company in this study period.

Based on the calculation above, it is examine that the average of commissioner size in this sample is 4.5732 means the average member of board of commissioner in this study is 4.5732. The minimum value is 2 means the lowest number of commissioner member in the study is only 2 members. The maximum value is 22 means the highest number of member of the board of commissioner is 22 members.

Based on the calculation above, it is examine that the average of company age in this sample is 28.5 means the average age of the company in this sample is 28.5 years. The minimum value is 10 means the youngest or the recent company is 10 years old. The maximum value is 47 means the oldest company in this study is 47 years old

3.2 Multiple Regression Analysis

Table 4.2 Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1.	(Constant)	-.510	.075		-6.826	.000
	ROE	-.085	.057	-.090	-1.483	.140
	LOG_ASSET	.054	.005	.666	11.079	.000
	DER	.035	.015	.140	2.370	.019
	COMM	.001	.002	.015	.237	.813
	AGE	.000	.001	-.044	-.727	.468

R-squared	0.469	VIF ROE	1.098
Adjusted R-squared	0.453	VIF ASSET	1.075
F-statistic	27.958	VIF LEVERAGE	1.041
Prob. (F-statistic)	0.000	VIF COMM	1.156
Durbin-Watson stat	0.965	VIF AGE	1.079
Asymp. Sig. (2-tailed)	0.620		

The t-test result presents that company size and the leverage partially have significant effect to the disclosure of the CSR which is 0.000 for company size and 0.019 for the leverage. The profitability, commissioner size, and the company age do not have significant effect to the disclosure of CSR in this research. Thus, hypothesis 2 and 3 are accepted but hypothesis 1, 4, 5 are rejected because the significant value is higher than 0.05.

The amount of Durbin-Watson in this test is 0965 which mean it is between -2 and +2. According to Santoso (2010) it means Durbin-Watson test in this research indicated that there was no autocorrelation in this regression model. TheF-test result, the significant value is 0.000000, it shows that independent variables present by as profitability, leverage, company size, commissioner size, and company age simultaneously have significant effect towards the disclosure of CSR in annual report. Every transformation of independent variables simultaneously will give influence to the disclosure of CSR of real estate companies in Indonesia. The adjusted R-square is 0.453 means the independent variables simultaneously can describe 45.3% of the dependent variable, while the remaining 54.7% is explained by other factor that are not included in this research.

On the basis of regression analysis results using a level of significance of 5% obtained the following equation:

$$\boldsymbol{Y = -0.51 + (-0.085)ROE + 0.054COMSIZE + 0.035LEVERAGE + 0.001\,COMM + 0.00AGE}$$

Where:

Y : Corporate Social Responsibility Disclosure Index

α	: Constant
β	: Coefficient Regression
ROE	: Return on Equity
COMSIZE	: Company Size
LEVERAGE	: Debt Equity Ratio
COMM	: Commissioners Size
AGE	: Company's Age

Independent Variables	Resulted Sign				
	Dependent Variables				
	ROE	COM SIZE	LEVERAGE	COMM	AGE
CSRI	Insignificant	Significant	Significant	Insignificant	Insignificant

3.3 Result Interpretation

Profitability

The obtained t value is -1.483 and the significance value is 0.140 hence it can be concluded that ROE does not have significant effect on the CSR Disclosure. Therefore, the first hypothesis that stated the ROE have significant negative impact on CSR Disclosure is **rejected**.

This means that the profitability of the company not affecting the corporate social responsibility disclosure because the profits of the company are prioritized for operational interests, so that the utilization for social activities is smaller. The results of this study in line with research conducted Purwanto (2011), Purnasiswi (2011) and Rofiqkoh and Priyadi (2016) which found that there's lack of profitability influence in the CSR Disclosure.

Company Size

The obtained t value is 11.079 and the significance value is 0.000, where the value is less than 0.05 hence it can be concluded that company size have significant positive effect on the CSR Disclosure Level. Therefore, the second hypothesis that stated the Company Size have significant positive impact on CSR Disclosure Level is **accepted**.

The significant relationship that occurs between company size and CSR disclosure supports the statement that the larger a company, it will tend to do wider disclosure. As mentioned by Cowen et al. (1987) that large companies have companies that make up the companies made by companies so that corporate social responsibility disclosure will be wider because of the pressure. It is also supported by Jessica (2013) that stated the bigger company means the company will disclose more information about their CSR. It also in line with Rofiqkoh and Priyadi (2016) and Purnasiwi (2011)

Leverage

The obtained t value is 2.370 and the significance value is 0.019, where the value is less than 0.05 hence it can be concluded that DER does have significant positive effect on the CSR

Disclosure Level. Therefore, the third hypothesis that stated the leverage that proxy by DER have significant positive impact on CSR Disclosure Level is **accepted**.

The results of this study are consistent with the opinions of Meek et al. (1995) that firms with high leverage levels have extensive and disclose more information so that *debt holder* can be trust the company more. This is because the leverage ratio is used to provide an overview of the uncollectible structure of a debt. Therefore companies with high leverage ratios have more obligation to disclose their social responsibility. The other research results that in line with this result is Purwaningsih and Suyanto (2015), Rofiqkoh and Priyadi (2016) and Purnasiwi (2011). In their researches, they stated that there is significantly positive effect of leverage in the CSR Disclosure.

Commissioner Size

The obtained t value is 0.237 and the significance value is 0.813 hence it can be concluded that commissioner size does not have any significant positive effect on the CSR Disclosure Level. Therefore, the fourth hypothesis that stated the commissioner size have significant positive impact on CSR Disclosure Level is **rejected**.

The absence of significant influence of the board of commissioners towards the extent of CSR disclosure is in line with research conducted by Effendi et al. (2012), Djuitaningsih (2012) and Krisna (2016).

Company Age

The obtained t value is -0.727 and the significance value is 0.468 hence it can be concluded that company age does not any have significant positive effect on the CSR Disclosure Level. Therefore, the fifth hypothesis that stated the company age have significant positive impact on CSR Disclosure Level is **rejected.**

In accordance with legitimacy theory, it can be said that the age of the company becomes an important factor in the company that old age because, older companies have a lot of experience and will examine the needs of constituents on information about the companies. But the company age has no significant influence on CSR disclosure because the company more focus in the oversight function to the company's financial performance. The other reason can be because as the older the company, they already got recognition and does not increasing any branding through the disclosure of CSR.

3.4 Implication

The method used in this study was content analysis which the result may differ with other researcher because it based on the personal perspective of the researcher. This research might be helpful for the companies as the reference for decision making in the social matters and contribution of the company through social responsibilities. According to this study, the leverage and company size have positive effects to the disclosure of CSR.
This research observed the relationship between the disclosure of CSR and the profitability, leverage, company size, commissioner size, and the age of the company. Real estate companies in Indonesia with higher leverage or bigger company size would likely to disclose more information of CSR. On the other hand, profitability, commissioner size, and the age of the company do not have significant effect toward the disclosure of CSR.

4. CONCLUSION AND RECOMMENDATION

Based on the research that has been done by testing 164 samples from real estate companies listed on the Indonesia Stock Exchange from 2013 to 2016, the researchers concluded as follows:

From the results of the discussion shows that leverage has positive significant influence on the extent of corporate social responsibility disclosure. This indicates that the high level of corporate leverage influences the disclosure of corporate social responsibility. This result supports the shareholders theory and signaling theory because it means the company discloses information based on shareholders' interest and gives a signal to the lenders about the state of the company. Therefore, the firms with higher leverage ratios will reveal more social information. This result of study is in line with Wardani (2013), Rofiqkoh and Priyadi (2016), and Sembiring (2003)

As for the size of the company has a significant influence on the extent of corporate social responsibility disclosure. This shows that the size of the company will affect the disclosure of corporate social responsibility. The greater the assets owned by the company then the company cannot be separated from the demand to have a good performance. The results of this study are in line with the legitimacy theory which states that firm size will have a positive effect on CSR disclosure. This research also in line with Worotikan et al. (2015), Rofiqkoh and Priyadi (2016) , and Purwanto (2011)

Profitability proxied by Return on Equity has no significant effect to the CSR Disclosure Index in the real estate companies. This shows that the high level of profitability does not affect the company to disclose corporate social responsibility. The results of this study do not support the legitimacy theory which states that profitability have positive and significant effect to CSR disclosure. However, this study is in line with Purwanto (2011), Purnasiswi (2011), and Rofiqkoh and Priyadi (2016) who also found no evidence that profitability had a significant effect on CSR disclosure.

Commissioner size has no significant effect to the CSR Disclosure Index in the real estate companies. This shows that the bigger size of the commissioner does not affect the company to disclose corporate social responsibility. The effectiveness of supervisory and control mechanisms undertaken by the Board of Commissioners depends on the values, norms and beliefs received in an organization (Oliver, 2004 in Waryanto, 2010).. This result is in line with Djuitaningsih (2012) and also Krisna and Suhardianto (2016)

Company's age does not have any significant effect to the CSR Disclosure Index in the real estate companies. This shows that the older companies does not affect the company to disclose corporate social responsibility. Although older companies have more experience to deal with problems in their operations, but in terms of CSR disclosure they are not in line with the age of the company.. This result is in line with Aprilliani (2017) and Arjanggie (2015)

There is a significant influence simultaneously between company size (size), ROE, leverage, commissioner size, size of board director, and the age of the company on corporate social responsibility disclosure.

The number of samples used in this study only use the real estate sector companies listed on the Indonesia Stock Exchange for period 2013-2016. So the conclusions of this study may not apply to companies in other sectors and the other period. The study with other sector and other period maybe will have different results.

There are many other variables that can be used to determine the effect on CSR but in this study only use the ROE, DER, company size, commissioner size, and company age as independent variables; and one dependent variable, namely CSR Disclosure. So for further research it is necessary to add other independent variables to be able to explain the amount of social information disclosed.

The last is the subjectivity in the measurement of social disclosure cannot be avoided so there is a possibility of bias in the measurement of social disclosure. The results from different perspective will be different and there are other measurements to measure the CSR Index, further research may use other measurements that not used in this study.

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