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Corporate Governance and CSR Disclosure: Earnings Management as Moderating Variable

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Abstract. The purpose of this study is to examine the moderating influence of earnings management on CSR disclosure as it relates to corporate governance. From 2014 to 2018, firms in the mining sector that were listed on the Indonesia Stock Exchange were the subject of this study. In order to check for consistency in the outcomes, this study additionally employs two control variables. Theories are developed using prior research, agency theory, and legitimacy theory. Of the 110 companies in the population, 22 were chosen as the study's sample. Purposive sampling with moderated regression analysis (MRA) was the strategy used. According to the regression analysis, managerial ownership has a negative impact on CSR disclosure, while institutional ownership and the board of directors have a positive effect. On the other hand, CSR disclosure is unaffected by the audit committee and independent board of commissioners. The relationship between CSR disclosure and corporate governance cannot be mediated by earnings management.

Keywords: corporate governance, corporate social responsibility, earning management

Abstrak. Tujuan dari studi ini adalah untuk menganalisis pengaruh moderasi manajemen laba terhadap hubungan antara tatakelola perusahan dan pengungkapan tanggungjawab sosial Perusahaan (CSR). Data tahun 2014 sampai 2018 perusahaan di sektor pertambangan yang terdaftar di Bursa Saham Indonesia menjadi objek penelitian ini. Untuk menguji konsistensi hasil penelitian, studi ini juga menggunakan dua variabel control: ukuran Perusahaan dan umur perusahaan. Hipotesis dikembangkan menggunakan penelitian sebelumnya, teori agen, dan teori legitimasi. Dari 110 perusahaan, 22 perusahaan dipilih sebagai sampel akhir penelitian. Pengambilan sampel menggunakan metode *purposive sampling* dan analisa data menggunakan analisis regresi moderasi (MRA). Hasil analisis regresi menunjukan bahwa kepemilikan manajerial memiliki dampak negatif pada pengungkapan CSR. Sementara itu, kepemilikan institusi dan dewan direksi memiliki efek positif. Di sisi lain, pengungkapan CSR tidak terpengaruh oleh komite audit dan dewan komisioner independen. Hubungan antara pengungkapan CSR dan tatakelola perusahaan tidak dapat moderasi oleh manajemen laba.

Kata kunci: Tatakelola Perusahaan, tanggungjawab sosial Perusahaan, manejemen laba

INTRODUCTION

Companies in the current era of globalization are emphasized to provide benefits not only to the company but also to society and the surrounding environment. Currently, the environment has become an important issue that has become a subject of discussion in every circle of the world community; lack of attention in preserving the environment for operational activities, whether it is from individual human activities or a community of companies, causes various damage and losses for activities that do not pay attention to the impact of operational activities that have been carried out. Therefore, each company is expected to know its prevention and social responsibility to preserve the environment. The form of responsibility

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application that the company has carried out is the treatment of corporate social responsibility disclosure by the company (Rivandi & Andi, 2019).

Corporate social responsibility as a fruit of mind corporate social responsibility not only has a responsibility on the corporate value (financial) or often called obligations on the single bottom line, but at present, the obligations of the company have been expanded, not only in terms of financial but also should pay attention from the social aspects of the society and the environment around the company, taking into account the financial conditions alone has not been able to drive the company can grow sustainably (Dwiyandra, 2018). Companies that carry out corporate social responsibility activities in a sustainable manner will have a long-term positive impact on the company in the eyes of the public, consumers, and investors. In this case, by allowing the company to disclose CSR, it will be in line with the public's confidence in the company so that it can stimulate the public to buy products or services produced by the company that can ultimately increase the value of the company itself (Waddock & Graves, 1997). If corporate responsibility for CSR disclosure improves, customer loyalty will also increase (Ramadhani et al., 2020).

Corporate social responsibility disclosure is an important record in the annual report as the company has carried out corporate social responsibility based on applicable regulations. Every company must publish a report on corporate social responsibility activities annually. It has been stipulated in the Law of the Republic of Indonesia, No. 40 of 2007 Article 74 concerning limited liability companies (P.T.) article 1 point three, which states that every company that runs a business in the field of and related to natural resources is obliged to carry out corporate social responsibility.

Several components influence corporate social responsibility disclosure, the first factor of which is the institutional ownership variable (Noviani et al., 2017). Institutional Ownership has an important role in overseeing the company's Management. Institutional Ownership of more than five per cent indicates whether institutional Ownership can oversee the Management. The second component is said to influence corporate social responsibility disclosure concerning managerial Ownership. The agency theory states that the greater the share level of the manager, the more the manager will align the agent's interests with the principal's interests. Every action that the Management decides directly affects the Management itself as a result of all actions that the Management has chosen because it is the company's owner (Jensen & Meckling, 1976). The productivity and performance of managers will be increased and maximized by having the same interests as the owners, thereby encouraging Management to carry out corporate social responsibility activities. The third component that impacts CSR disclosure is that the audit committee will act effectively to improve the credibility of the financial statements and support the board of commissioners in gaining stakeholders' confidence in fulfilling their responsibilities for providing information (Rafa, 2019). The fourth component that impacts CSR disclosure is related to the board of directors (Suyono & Farooque, 2018). The board of directors has a task that focuses on containing transparent disclosures in implementing company policies and controls the information disclosed in the company's annual report. The fifth component that affects CSR disclosure is related to the independent board of commissioners (Noviani et al., 2017). A larger percentage of independent commissioners will lead to increased activities to supervise the disclosure quality and minimize efforts/activities not to report company information. The sixth component is said to impact CSR disclosure related to earnings management. Earning management is Management's effort to change the value or information in financial statements that intends to deceive shareholders who want to care about the company's achievements and position (Sulistyanto, 2008). Earning management practices within companies tend to rely on corporate social responsibility disclosure as a policy intended to benefit society, which can also be used to cover up their opportunistic behaviour. Companies that are heavily involved in earning management activities tend to be more active in improving the company's public image and attracting support from stakeholders through corporate social responsibility policies.

Research on CSR disclosure has been conducted by many researchers, including Suyono & Farooque (2018), Bassam, Qa, & Suwaidan (2018), Ullah et al. (2017), Ramadhani et al. (2020), Mohd Hanefah, (2016), Abubakar et al. (2018) and so on. However, previous studies have not seen much from earnings management variables to moderate corporate governance variables with CSR disclosure. Therefore, this study aims to know the impact of earning Management as a moderating variable. This article includes an introduction, theoretical aspects, research methods, results, discussion, and closing.

LITERATURE REVIEW

Institutional Ownership

Institutional Ownership is the number of shares owned by institutional parties, including investment companies, banks, pension funds, limited liability companies, insurance companies, etc. Institutional Ownership seeks the best and optimal supervision of company performance activities (Silitonga & Simanjuntak, 2019). A large percentage of institutional share ownership will result in high protection or control efforts to prevent manager opportunism (Sukasih & Sugiyanto, 2017). High institutional shares will affect managers' decision-making. The form of the decision taken is the decision of corporate social responsibility disclosure, which is a form of openness by the association with stakeholders (Wiyudi dan Pramono, 2017). Research findings from Frezzy & Nugroho (2017) and Fitriana (2019) prove that institutional Ownership positively impacts CSR disclosure. Contrary to the conclusions made by Sukasih & Sugiyanto (2017) finds that institutionalized Ownership negatively affects CSR revelation. From the findings that have been announced to the development of the following hypothesis.

H1: CSR disclosure is positively related to Institutional Ownership.

Managerial Ownership

Managerial Ownership will play a role in motivating the unification of interests between shareholders and Management, which will result in Management acting or acting commensurate with the actions desired by stakeholders so that it will be able to increase the performance of the company (Crutchley & Hansen, 1989). Along with increasing managerial Ownership, it will align Management's interests with stakeholders' interests (Jensen & Meckling, 1976). Managerial Ownership is capable of reducing the agency problem due to the ability of managers to work more effectively along with the increase in the number of managerial shares in the company. Management continues to do its best to improve how the company is managed, which can ultimately improve its reputation. Increasing managerial Ownership in a company will make managers more inclined to attempt to increase the company's performance for the benefit of themselves and their shareholders (Siallagan & Machfoedz, 2006). Research findings by Singal & Putra (2019) and Garas et al. (2018) found that managerial Ownership had a positive influence on CSR disclosure, contrary to the findings of Sukasih & Sugiyanto (2017), proving that managerial Ownership has a negative impact on CSR disclosure. However, the findings of Damayanti (2017) found that managerial Ownership does not affect CSR disclosure. The following explanation is developed as a hypothesis.

H2: CSR disclosure is positively related to Managerial Ownership

Audit Committee

The audit committee is an effort to improve the control of a company, one of which is monitoring carried out by the Management of the company because the audit committee is a liaison between the board of commissioners and company management and from other outside parties, causing the audit committee to act efficiently and optimally in increasing the reliability of financial statements and helping the independent board of commissioners to gain the trust of stakeholders in carrying out their responsibilities to provide information related to the company including CSR disclosure information (Rafa, 2019). The findings conducted by Rivandi & Andi (2019) and Abubakar et al. (2018) prove that the audit committee negatively influences CSR disclosure. In contrast, Thasya et al. (2020) found that the audit committee has a negative effect on CSR disclosure. Meanwhile, Yusran et al. (2018) found that the audit committee does not influence CSR disclosure. From the following research, the following hypothesis can be developed.

H3: CSR disclosure is positively related to the audit committee

Board of Directors

The board of directors plays a role in managing the company and is responsible for all decisions made and the company's performance. The board of directors has the task of providing transparent disclosures and company policies and playing a role in controlling disclosure information in the annual report. The duties of the board of directors in this era have evolved, and the goal is not only to obtain the objectives of stakeholders but also to pay attention to the interests of other shareholders, which is also the role of the board of directors (Mohd Hanefah, 2016). The findings of Ramadhani et al. (2020) and Rashid (2016) prove that the board of directors positively affects CSR disclosure. As for the findings by Sumilat & Destriana (2017), their research proves that the board of directors has no impact on CSR disclosure. From the explanation that has been described, the following hypothesis is developed.

H4: CSR disclosure is positively related to the board of directors

Independent Board of Commissioners

Independent board of commissioners is a party that has no ties, family or business relationships with parties in the company. The higher percentage level of an independent board of commissioners in the company will increase motivation for supervisory activities on the quality or level of disclosure and reduce efforts/activities that do not provide company report information. Independent boards of commissioners are also expected to emphasize the company's ability to carry out corporate social responsibility and the similarity between the company's decisions and actions and the company's legitimacy and social value (Putri, 2013). The findings conducted by Nurhandika & Hamzah (2019) and Yuliani (2018) prove that the independent board of commissioners positively impacts CSR disclosure, while the findings by Saragih & Sembiring (2019) and Suyono & Farooque (2018) found that the independent board of commissioners did not have an impact on CSR disclosure. From the following description, the following hypothesis can be developed.

H5: CSR disclosure is positively related to the independent board of commissioners

Earnings Management

Earnings management is the intervention of company management in the methods used in preparing financial statements by external parties, which can cause an increase, decrease or smoothing of earnings reporting, where Management can take advantage of the discretionary use of accounting methods to create policies that can delay or accelerate costs and income so that the company's profits can be smaller or larger as expected (Scott, 2015). A company's earning management practices make managers more likely to rely on CSR disclosure as a socially beneficial policy—a tactic they also employ to hide their own opportunistic behavior. According to Farrero's (2016) research, CSR can mitigate the detrimental effects of discretionary accounting procedures on capital costs and also help mask earnings management practices in companies.

Managers in companies that practice earnings management tend to be more active in improving the company's public image and attracting stakeholder support through corporate social responsibility policies. Companies with good corporate governance tend to make a lot of disclosures to the public, one of which is corporate social responsibility. However, there will always be earnings management activities in the company. Earnings management as a moderating variable weakens the interaction between corporate governance and CSR. In previous research conducted by Suyono & Farooque (2018), earnings management as a moderating variable between corporate governance and CSR found that earning management activities strengthen the relationship between the two variables, which indicates that large companies in carrying out earning management practices tend to use corporate social responsibility policies to disguise earning management activities contained in the company. The following findings are also supported by several researchers, including Gargouri et al. (2010), Gray (2014) and Martinez Farerro (2016). From the explanation above, the following hypothesis is developed.

H5: Earning Management moderates the relationship between corporate governance and corporate social responsibility disclosure

RESEARCH METHODOLOGY

The object that is the focus of observation in this research is Indonesian publicly listed companies engaged in the mining sector. The total research population was 110 companies, and a purposive sampling technique was used for research sampling so that 22 companies were obtained as research samples because several companies did not submit the information needed in this study. This study uses secondary data from annual reports, company performance summaries and company financial statements obtained from www.idx.co.id. This study uses four types of variables: dependent, independent, moderating, and control variables. Corporate social responsibility disclosure is the dependent variable measured using the CSR disclosure index (Sudana & Arlindia, 2011). While the independent variables, namely institutional Ownership, are calculated using the total percentage of shares owned by institutional Frezzy & Nugroho (2017), managerial Ownership is calculated by looking at the total percentage of shares owned by company management (Shleifer & Vishny, 1997), audit committee measured by all members of the audit committee in Sukasih & Sugiyanto (2017), board of directors measured by board of directors size or number of BoD in the company (Ramadhani et al., 2020) and independent board of commissioners measured by the ratio of the number of independent board of commissioners to the total board of commissioners (Beasley, 1996). In addition, the moderating variable, namely earnings management, is measured by the Modified Jones Model (Ayers, Jiang, & Yeung, 2006). Meanwhile, the company age control variable is calculated by the research year minus the year the company was founded Kansal *et al.* (2014), and measurement with total assets is used to measure the company size control variable (Colpan & Yoshikawa, 2012). This study uses the Moderated Regression Analysis (MRA) research model as follows:

$CSRD = \alpha + \beta_1 KI + \beta_2 KM + \beta_3 KA + \beta_4 DD + \beta_5 DKI + B_6 UMP + \beta_7 UP + \mathcal{E}$

$CSRD = \alpha + \beta_1 KI + \beta_2 KM + \beta_3 KA + \beta_4 DD + \beta_5 DKI + \beta_6 ML + \beta_7 UMP + \beta_8 UP + \mathcal{E}$

$CSRD = \alpha + \beta_1 KI + \beta_2 KM + \beta_3 KA + \beta_4 DD + \beta_5 DKI + \beta_6 ML + \beta_7 ML{*}KI + \beta_8 ML{*}KM + \beta_9 ML{*}KA + \beta_{10} ML{*}DD + \beta_{11} ML{*}DKI + \beta_{12} UMP + \beta_{13} UP + \mathcal{E}$

Where:

α = Constant

$\beta 1$-β_{11} = Regression coefficient direction

CSRD = *Corporate social responsibility disclosure*

K.I. = share owned by Institution

K.M. = share owned by Manager

KA = Committee's audit

D.D. = management board or Board of Directors

DKI = board of commissioner independency

ML = Earnings Management (moderation)

UMP = Company Age

UP = Company Size

Ɛ = Error term

The data analysis method uses moderated regression analysis (MRA) (Ghozali, 2018). The analysis begins with a statistical description using the average, minimum, maximum and standard deviation analyzers (Ghozali, 2018). Before hypothesis testing, an outlier test is carried out (Ghozali, 2018). Hypothesis testing is carried out after the model is free from classical assumptions (Ghozali, 2018): normality, multicollinearity, autocorrelation, and heteroscedasticity tests. Hypothesis testing uses the R test tool, F squared, and t statistics (Ghozali, 2018)

RESULTS AND DISCUSSION

The previous section of this article explained that the research object is companies engaged in the mining sector, with a population of 110 companies in total, and 22 companies were obtained as final research samples for five years (2014-2018)—the following statistical description of the research variables is seen in Table 1.

Table 1

Data Outlier Results and Descriptive Statistics

Variables	∑ outlier	% outlier	min	max	mean	Std. Dev.
CSR Disclosure (Indeks)	0	0.00	0.05	0.57	0.29	0.12
Share owned by Institution (%)	0	0.00	0.54	79.21	24.28	24.24
Share owned by managerial (%)	8	0.07	0.00	39.99	6.78	11.74
Committee's audit (Index)	1	0.00	2.00	4.00	3.07	0.50
Management board (Index)	0	0.00	2.00	10.00	5.36	1.64
BoC independency (Ratio)	0	0.00	0.18	0.67	0.41	0.09
Earnings Management (Index)	11	0.10	-1.14	1.98	0.18	0.69
Company Age (Year)	0	0.00	3.00	57.00	24.73	12.88
Company Size (Rp. Million)	9	0,08	1,238,236	54,920,510	13,289,597	13,985,307

Source: SPSS 16 Data Processing Results

The descriptive statistical analysis of the research variables presented in Table 1 above illustrates that four variables are outliers, namely the managerial ownership variable, audit committee, earning Management and company size. CSR disclosure as the dependent variable obtained a min of 0.05, max of 0.57 with an average of 0.29 and standard deviation of 0.12.

Institutional Ownership as an independent variable obtained a minimum of 0.54, a maximum of 79.21, an average of 24.28 and a standard deviation of 0.12. This illustrates that the percentage level of institutional Ownership in mining companies obtains large share ownership rights by institutions. The managerial ownership variable after data outliers obtained a minimum of 0.00, a maximum of 39.99, an average of 6.78 and a standard deviation value of 11.74. This shows that the level of managerial Ownership in mining companies is quite low, with an average managerial ownership of 6.78. The audit committee shows a minimum of 2.00, a maximum of 4.00, an average of 3.07 and a standard deviation of 0.50. The following illustrates that mining companies tend to have three audit committee members. The board of directors variable obtained a minimum of 2.00, a maximum of 10.00, and an average of 5.36 with a standard deviation of 1.64. It shows that the average number of directors in mining companies is five. In the independent board of commissioners variable, the min number is 0.18, max 0.67, average 0.41 and standard deviation 0,09. Earnings management (moderation variable) obtained a minimum of -1,14, a maximum of 1.98, an average of 0.18 and a standard deviation of 0.69. The next variable, namely the company's age, obtained a minimum amount of 3.00, a maximum of 57.00, and an average of 24.73, with a standard deviation of 12.88. This illustrates that the average of 24.73 shows that the mining company has been established for 24 years. In the last variable, namely company size, the minimum number is 1.238.236.000.000; the maximum is 54.920.510.000.000, the average is 13.289.597.000.000 with a standard deviation of 13.985.307.000.000, this shows that mining companies on average have total assets of trillions of rupiah or an average of 13 trillion.

Table 2

Normality Test

Variable	*Asymp. Sig (2- Tailed)*	Alpha	Conclusion
CSR Disclosure	0.88	0,05	Normal
Share owned by Institution (%)	0.00	0,05	Not Normal
Share owned by managerial (%)	0.00	0,05	Not Normal
Committee's audit (Index)	0.00	0,05	Not Normal
Management board (Index)	0,02	0,05	Not Normal
BoC independency (Ratio)	0.00	0,05	Not Normal
Earnings Management	0.00	0,05	Not Normal
Company Age	0,59	0,05	Normal
Company Size	0.00	0,05	Not Normal

source: SPSS 16 Data Processing Results

Following the acquisition of normality values in Table 2, the asymp sig of the dependent variable, namely CSR disclosure, is 0.884, and the control variable, namely the age of the company, is 0.594, meaning that with a significant value > 0.05, the two variables are normally distributed. The independent variables, including K.I., K.M., K.A. and DKI, have an Asymp

Sig value of 0.000, and the board of directors has an Asymp Sig value of 0.015. Furthermore, the moderating variable, namely earnings management, has a significant value of 0.000, company size as a control variable has a significant value of 0.000, meaning that several variables that have been mentioned have a significance below 0.05 so that it can be decided that these variables are not normally distributed, with variables that are not normally distributed, further testing is carried out by transforming the data using natural logarithms (Ln), and Sqrt on the research variables.

Table 3

Normality Test Results After Transformation

Variable	*Asymp Sig* After Transformation		Conclusion
	Ln	Sqrt	
Share owned by Institution (%)	0.13		Normal
Share owned by managerial (%)	0.27		Normal
Committee's audit (Index)	0.00	0.00	Not Normal
Management board (Index)	0.00	0.01	Not Normal
BoC independency (Ratio)	0.00	0.00	Not Normal
Earnings Management	0.33		Normal
Company Size	0.82		Normal

Source: SPSS 16 Data Processing Results

From Table 3 above, it can be seen that four variables are normally distributed, namely institutional Ownership 0.131 > 0,05, managerial Ownership 0.271 > 0,05, earnings management 0.325 > 0.05 and company size 0.816 greater than 0.05, meaning that these variables are normal. While the other three variables are still not normally distributed, the next stage is tested with the skewness and kurtosis test, with the obtained test values presented below:

Table 4

Data Normality Test

Variable	Skewness	Conclusion	Kurtosis	Conclusion
Committee's audit (Index)	0.63	Normal		
Management board (Index)	1.10	Normal		
BoC independency (Ratio)	3.29	Not Normal	1.29	Normal

Source: SPSS 16 Data Processing Results

Table 4 below explains the effort in normalizing the research data using the skewness and kurtosis tests, whose critical value is ± 1.96 for researchers who use alpha 0.05 (Ghozali, 2018). In the above variables, it can be seen that the audit committee variable carried out by the skewness test obtained a result of 0.634, and the board of directors obtained a result of 1.095; the following indicates that the two variables are normally distributed because < 1.96, while the independent board of commissioners variable obtained a result of 3.291> 1.96, so this variable is not normally distributed, so further testing was carried out using the kurtosis test and obtained a result of 1.293 < 1.96, it can be concluded that the independent board of commissioners variable is normally distributed. So that further testing can be carried out.

Table 5

Multicollinearity Test

Variable	Model 1		Model 2		Model 3	
	TOL	VIF	TOL	VIF	TOL	VIF
Share owned by Institution	0.94	1.07	0.93	1.07	0.64	1.58
Share owned by managerial	0.85	1.18	0.84	1.19	0.52	1.93
Committee's audit	0.64	1.56	0.64	1.56	0.55	1.83
Management board	0.66	1.51	0.66	1.51	0.44	2.27
BoC independency	0.88	1.14	0.88	1.14	0.66	1.52
Earnings Management			0.96	1.04	0.24	4.18
Company Age	0.69	1.45	0.69	1.45	0.70	1.44
Company Size	0.70	1.43	0.70	1.43	0.49	2.03
KI*ML					0.65	1.54
KM*ML					0.51	1.98
KA*ML					0.17	5.85
DD*ML					0.44	2.29
DKI*ML					0.18	5.66

Source: SPSS 16 Data Processing Results

The results from Table 5 below explain if in model 1 of the independent variables, namely K.I., K.M., K.A., D.D. and DKI. The control variables of company age and Size have a tolerance number greater than 0,10 and a VIF smaller than 10. So, from the results, it is concluded that the variables formed into the following regression equation are not identified or free from multicollinearity problems. Model 2 of each independent variable includes K.I., K.M., K.A., D.D. and DKI. Moderation variables consisting of earnings management, company age and size control variables obtain tolerance above 0,10 and get VIF < 10. So, it can be decided that both independent variables, moderation and control variables formed in a regression equation, are not identified or free from multicollinearity problems. In model 3 of each independent variable, namely K.I., K.M., K.A., D.D., and DKI, the moderating variable consisting of earnings management, the control variable company age and company size and the moderating variable relationship between corporate governance and CSR disclosure obtained a tolerance number above 0,10 and obtained a VIF number below 10, so it can be concluded that the variables mentioned above formed in the regression model equation do not occur multicollinearity problems.

Table 6

Autocorrelation Test Results

Model	Durbin-Watson	Conclusion
Model 1	1.19	No Autocorrelation
Model 2	1.13	No Autocorrelation
Model 3	1.10	No Autocorrelation

Source: Grtl Data Processing Results

The results from Table 6 are clear in model 1, model 2 and model 3; the research obtained Durbin Watson numbers worth 1,186 for model 1, 1.129 for model 2 and 1.099 for model 3. The three models have a Durbin-Watson value between -2 and +2, which can be concluded from the three research regression models that there is no autocorrelation problem and can be tested at the next stage.

Table 7
Heteroscedasticity Test

Variable	Model 1	Model 2	Model 3	Alpha
	Sig.	Sig.	Sig.	
Share owned by Institution	0.53	0.72	0.45	0.05
Share owned by managerial	0.17	0.08	0.46	0.05
Committee's audit	0.16	0.24	0.85	0.05
Management board	0.60	0.95	0.93	0.05
BoC independency	0.90	0.16	0.77	0.05
Earnings Management		0.32	0.48	0.05
Company Age	0.79	0.67	0.59	0.05
Company Size	0.28	0.64	0.39	0.05
KI*ML			0.73	0.05
KM*ML			0.88	0.05
KA*ML			0.64	0.05
DD*ML			0.63	0.05
DKI*ML			0.11	0.05

Source: SPSS 16 Data Processing Results

The information in Table 7 shows that all models, the research obtained a significant number on the independent variables, namely K.I., K.M., K.A., D.D., and DKI, the moderating variable, namely earnings management, and the moderating variable relationship between corporate governance and CSR disclosure as well as the control variable, namely company size and company age, has a significant value > α, so it can be concluded that all variables in the three regression equations are not detected to have heteroscedasticity problems in the research model.

Table 8
R^2 Test, F Test and t-Test

Variable	Model 1		Model 2		Model 3	
	Coefficient	Sig.	Coefficient	Sig.	Coefficient	Sig.
Share owned by Institution	0.23	0.00***	0.219	0.004	0.088	0.523
Share owned by managerial	-0.35	0.00***	-0.359	0.000	-0.319	0.042
Committee's audit	0.06	0.53	0.058	0.515	0.061	0.680
Management board	0.53	0.00***	0.529	0.000	0.827	0.000
BoC independency	0.12	0.13	0.114	0.136	0.061	0.651
Earnings Management			0.077	0.288	0.424	0.065
Company Age	0.21	0.01**	0.219	0.012	0.451	0.001
Company Size	0.09	0.29	0.087	0.308	-0.142	0.368
KI*ML					-0.077	0.571
KM*ML					-0.079	0.612
KA*ML					-0.131	0.623
DD*ML					0.137	0.413
DKI*ML					-0.195	0.457
R^2	0.45		0.45		0.43	
F Sig.	0.00		0.00		0.00	

Source: SPSS 16 Data Processing Results

Model 1

In Table 8, the value (R^2) in model 1 is 0.448, which means that if the independent variables and control variables in this model can explain the dependent variable as much as 44.8%, the next 55.2% is explained by other factors. The results of the F test in model 1 obtained a result of 13.653 with a significant level of 0.000 < 0.05, meaning that the independent variable simultaneously affects the dependent variable. In model 1 above, the institutional ownership variable obtained a coefficient value of 0.225 with a significant level of 0.003. This result shows a significant value < α, so it can be interpreted that K.I. positively impacts CSR disclosure so that the first hypothesis (H_1) is accepted. Managerial Ownership has a coefficient of -0.352 with a significant level of 0.000 < α. It means that managerial Ownership has a negative influence on CSR disclosure. However, the research results contradict the initial hypothesis, so the second hypothesis (H_2) is rejected.

The audit committee obtained a coefficient of 0.056 and significant 0.527 > α, where it can be concluded that K.A. does not influence CSR disclosure, so the third hypothesis (H_3) is rejected. The board of directors' variable has a coefficient value 0.532 with a significant 0.000 < α. It can be decided that the board of directors positively influences CSR disclosure, so the fourth hypothesis (H_4) is accepted. Independent board of commissioners has a coefficient value of 0.117 and a significant level of 0.126. This result shows a significant value > α, which means that the independent board of commissioners has no influence on CSR disclosure, so the fifth hypothesis (H_5) is rejected. The company age variable obtained a coefficient of 0.213 with a significant 0.014 < 0.05, so it can be concluded that the UP-control variable influences CSR disclosure. The company size variable obtained a coefficient of 0,091 and a significant 0.287 > α, which means that the following control variables do not influence CSR disclosure.

Model 2

The results of Table 8 in Model 2 obtained a value (R^2) worth 0.449, meaning that the eight predictor variables can clarify the dependent variable, namely CSR disclosure 44.9%, while 55.1% of the influence of external factors not included in the research elements. In model 2, the F test number is 12.106 and significant 0.000 < 0.05, which means that the eight independent variables simultaneously can influence the CSR disclosure variable. In model 2 above, institutional Ownership obtained a coefficient worth 0.219 and significance worth 0.004 < α so that it can be concluded that K.I. has a positive impact on disclosure so that the first hypothesis (H_1) is accepted. Managerial Ownership has a coefficient of -0.359 with a significant 0.000 < α, so it can be concluded that managerial Ownership negatively influences

CSR disclosure, but contrary to the initial hypothesis, the second hypothesis (H_2) is rejected. The audit committee variable has a coefficient of 0.058 and a significant 0.515> α, so it can be decided that the audit committee or audit committee has no influence on the disclosure of corporate social responsibility, so the third hypothesis (H_3) is rejected.

The board of directors' variable have a coefficient value of 0.529 significant 0.000 < α, so it is decided if the board of directors positively influences CSR disclosure, then the fourth hypothesis (H_4) is accepted. Independent board of commissioners has a coefficient of 0,114 with a significant 0.136 > α; it can be interpreted that the independent board of commissioners does not influence CSR disclosure, so the fifth hypothesis (H_5) is rejected. The earning management variable has a coefficient of 0.077 and a significant value of 0.288 > α; it can be decided that the ML moderation variable has no impact on CSR disclosure. Company age obtained a coefficient of 0.219 significant 0.012 < α; it can be interpreted that the control variable Ump impacts CSR disclosure. The company size variable obtained a coefficient of 0.087 with a significant 0.308 > α; it can be interpreted that the control variable company size does not influence CSR disclosure.

Model 3

The results of Table 8 in Model 3 obtained a number (R^2) worth 0.449, which means that the independent variable can explain the dependent variable worth 44.9%, and factors from outside the regression model explain the remaining 55,1%. In model 3, the calculated F value is 3.775 with a significant level of 0.001 < 0.05, meaning that all research variables K.I., K.M., K.A., D.D., DKI, ML, Ump and UP, as well as the moderating variable relationship between corporate governance and corporate social responsibility, are worthy of research. In Model 3 above, it can be seen that institutional Ownership obtained a significant coefficient of 0,088 at 0,523. The following results show a significant value > α, which means that institutional Ownership does not influence CSR disclosure, so the first hypothesis (H_1) is rejected. Managerial Ownership has a coefficient of -0.319 and is significant at 0.042. This result shows a significant value < α, so it can be decided that managerial Ownership negatively influences CSR disclosure. However, the research contradicts the initial hypothesis, so the second hypothesis (H_2) is rejected.

The audit committee obtained a coefficient of 0.061 significant 0.680 > α, which means that the audit committee does not influence CSR disclosure, so the third hypothesis (H_3) is rejected. The board of directors' variable obtained a coefficient value of 0,827, a significant level of 0.000 < α, so from these results, it can be decided that the audit committee has a positive impact on CSR disclosure, so the fourth hypothesis (H_4) is accepted. The Independent Board of Commissioners has a coefficient of 0.061, a significant level of 0,651 > α can be interpreted that the Independent Board of Commissioners does not influence CSR disclosure, so the fifth hypothesis (H_5) is rejected.

The earnings management variable has a coefficient value of 0.424, a significant level of 0.065 > α; it can be concluded that the ML moderation variable has no impact on CSR disclosure. The company age variable has a coefficient of 0.451 with a significant level of 0.001 < α; it can be interpreted that the company age control variable influences CSR disclosure. The firm size variable obtained a coefficient of -0.142 significant 0.368 > α. The following results show that the control variable company size does not influence CSR disclosure. Earnings management as a moderating variable obtained a significant value > 0.05, and it can be interpreted that the ML variable failed in moderating the relationship between the five proxies of corporate governance variables on CSR disclosure.

CONCLUSION AND RECOMMENDATION

Based on the research purpose, there are 110 mining companies listed in mining industry and final sample is 22 companies (20%). So from the research results it can be concluded, among others: (i) Institutional Ownership has a positive impact on CSR disclosure, (ii) Managerial Ownership has a negative influence on CSR disclosure, (iii) Audit committee has no influence on CSR disclosure, (iv) Board of directors has a positive influence on CSR disclosure, (v) Independent board of commissioners has no influence on CSR disclosure, and (vi) Earning management does not moderate the interaction between corporate governance and CSR disclosure. After conducting this research, the researcher found several limitations in the study. Hence, the researcher hopes that future researchers can pay attention to the following things: It is better to increase indicators or other variables in the research variables. As well as using moderating variables other than earnings management variables, considering sufficient references to be used as guidelines for moderating variables, it is hoped that future researchers will take research objects other than mining companies such as manufacturing companies, basic industrial and chemical companies and financial or non-financial service companies.

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