

Analysis of Public and Foreign Share Ownership on CSR Disclosure: Evidence from Indonesia

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ABSTRACT

The purpose of this study is to empirically examine the effects of public and foreign stock ownership and sales growth on the implementation of Corporate Social Responsibility (CSR) in companies in the manufacturing sector listed on the Bursa Efek Indonesia (BEI) between 2021 and 2023. This study employs a quantitative approach using descriptive and verification methods. The second set of data is derived from the age and length of time records of businesses that meet the sampling criteria based on the purposive sampling technique, with a total of 24 businesses and 72 data points. The hypothesis is tested using panel data regression analysis with the Eviews 13. The study's findings indicate that while ownership of public stocks and sales growth have a significant impact on CSR, ownership of foreign stocks does not have a significant impact on CSR.

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1. Introduction

In recent years, environmental and social issues have become the most important topic of discussion in every country in the world, including Indonesia. Industrial activities, especially those in the pertambangan sector, are frequently linked to environmental problems and several negative social factors, such as air pollution, udara polusi, linguistic barriers, and even conflict with the local population. This condition encourages businesses to implement the triple bottom line concept, which is a strategy that considers social and environmental factors in addition to financial returns (profit) (Salsabila, 2023).

The triple bottom line concept encourages businesses to implement Corporate Social Responsibility (CSR) as a comprehensive and long-term strategy. CSR is an expression of a company's commitment to the community around its operational region (Mudiarti et al., 2024). Businesses must transparently disclose information about social and environmental activities as a means of fostering public trust (Ayem & Nuwa, 2021). As of right now, CSR is still seen as a benefit, indicating strategic investments to boost a company's reputation. Not only does corporate social responsibility (CSR) benefit the general public, but it also benefits businesses. For example, it may be used as a solution to strengthen ties with the public and as a tool to help stakeholders in the development of a business plan, which eventually can boost reputation and attract investors (Dewanti & Afif, 2022). Through Undang-Undang No. 40 Tahun 2007 about Perseroan Terbatas Pasal 74, the Indonesian government has established the requirement that companies operating in the business sector and/or related to the sumber daya alam must carry out social and environmental responsibility. This is explained in Peraturan Pemerintah No. 47 Tahun 2012 about Social Responsibility and the

Environment of Perseroan Terbatas, as well as in the international Global Reporting Initiative (GRI) standard as a comprehensive CSR assessment tool (globalreporting.org, 2024).

Even if the regulations and guidelines of corporate social responsibility are clear, there are still a lot of businesses in Indonesia that are not fully implementing and maximizing their social responsibility. This is evident from the 2023 POPRER KLHK study, which shows that most businesses only meet the very minimal requirements for environmental and social responsibility (proper.menlhk.go.id, 2024). A few examples of CSR incidents in the pertambangan industry are PT Freeport Indonesia's pencemaran limbah tailing (Wicaksono, 2023) and PT Timah Tbk's illegal pertambangan practice (Maulana, 2024) increasing the urgency of social business.

In addition to the challenges of implementing the CSR program, businesses in the pertambangan sector also continue to have difficulties with the transparency of CSR implementation. According to data from www.idx.co.id, a few companies listed in BEI have not consistently conducted research on CSR activities. This inconsistency can be caused by a number of factors, including businesses that have not yet implemented the CSR requirement in accordance with the ketentuan that is being carried out or businesses that have implemented the CSR activity but have not done so in a transparent and timely manner (Suyono & Sastika, 2023).

There are a few factors that can affect the implementation of Corporate Social Responsibility (CSR). Ramadhan & Ernaya (2023) examining the effects of asing, public, institutional, business size, profitability, and leverage on CSR implementation. Satriawibowo & Sandari (2024) demonstrating the impact of sales growth, public stock ownership, and profitability on CSR investment.

Public share ownership is the proportion of shares owned by the public/community in relation to the company's shares (Ramadhan & Ernaya, 2023). Based on the Decree of the Capital Market and Financial Institution Supervisory Agency Number: KEP-431/BL/2012 Concerning Submission of Annual Reports of Issuers or Public Companies, what is meant by the group of public shareholders is a group of shareholders who each own less than 5% (five percent) of the shares of the Issuer or Public Company. Share ownership held by the public requires the company to provide transparency within the company and comprehensive disclosure regarding the company (Suyono & Sastika, 2023).

Several studies have been conducted to examine the effect of public share ownership on CSR disclosure. Research conducted by Rahmasari & Rahmadani (2023) and Suyono & Sastika (2023) states that public share ownership has an effect on CSR disclosure. Companies whose shares are more publicly owned, it means that investors have given their trust to the company so that to maintain that trust, the company will disclose as much as possible all activities in the company. One of these disclosures is CSR activities. However, research conducted by Mulyani & Rosharlianti (2023) and Ramadhan & Ernaya (2023) showing the opposite results, the study stated that public share ownership has no effect on CSR disclosure.

Foreign share ownership is the number of shares of a company in Indonesia owned by foreign parties, either individuals or institutions from abroad (Nursadrina & Inawati, 2024). Ningsih & Pertiwi (2023), High foreign share ownership in a company tends to encourage companies to expand the level of CSR disclosure, in line with foreign investors' expectations of transparency and sustainable business practices.

Several studies have been conducted to examine the effect of foreign share ownership on CSR disclosure. The results of the study conducted by Yuliandhari & Sekariesta (2023) and Nursadrina & Inawati (2024) shows that foreign share ownership has an effect on CSR disclosure. This is because foreign companies generally provide training related to CSR, so that foreign investors have a deeper understanding and experience of CSR practices. Meanwhile, research conducted by Ramadhan & Ernaya (2023) and Ningsih & Pertiwi (2023) shows inconsistent results, that foreign share ownership has no effect on CSR disclosure. This means that companies whose shares are owned by foreign parties, either individuals or groups, do not necessarily disclose CSR items completely.

Sales growth is the rate of increase or change in the company's sales volume from year to year (Novitasari, 2024). Ramadhani et al., (2024), Sales growth is the company's ability to grow sales over

time. This sales growth is also considered a sign of the success of the marketing strategy and the attractiveness of the product or service in the eyes of consumers.

Several studies have been conducted to test the effect of sales growth on CSR disclosure. According to the study Ayem & Nuwa (2021) and Ramadhani et al., (2024) stated that sales growth has an effect on CSR disclosure. If public recognition of the company is high, the company will experience high sales growth. If the company's sales growth is high, the company will carry out social activities for the community. This research is in contrast to research conducted by Dewanti & Afif (2022) and Renata & Pratiwi (2023) which states that sales growth does not affect CSR disclosure. This means that the increase or decrease in a company's sales growth does not affect CSR disclosure.

Based on the research background and the CSR disclosure phenomenon, as well as the inconsistencies in the results of previous studies, the researcher is interested in conducting further research to find out the actual results that occur with the relevant data in this study entitled "Analysis of Public and Foreign Share Ownership on CSR Disclosure: Evidence from Indonesia)".

2. Literature Review

Stakeholder Theory

Stakeholder theory was first introduced by R. Edward Freeman in 1984 and has evolved into one of the leading theories in strategic management and business ethics. The theory argues that companies must manage relationships with all stakeholders who can affect or be affected by the company's activities (Ramadhan & Ernaya, 2023). This means that companies do not only operate for their own interests, but must also provide benefits to stakeholders including shareholders, creditors, consumers, suppliers, government, society, and so on.

Legitimacy Theory

The legitimacy theory was first proposed by Dowling and Pfeffer in 1975. Dowling and Pfeffer stated that the legitimacy theory is a theory that means that companies must continuously ensure that they have operated within the norms upheld by society and ensure that their activities are acceptable to outsiders (legitimacy). This theory argues that companies will always try to ensure that their activities meet the standards of the society in which they operate and create a code of ethics mechanism that is appropriate to legitimize the actions taken by the company (Abdelmoula et al., 2022).

Disclosure of Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an important concept that businesses should consider and implement as a way to show their concern for the environment and the local community, which is evident in their operational business activities. Pengungkapan Corporate Social Responsibility (CSR) is a communication process used by businesses to tell their customers about the social and environmental issues that are triggered by their activities. This process is part of the etis business's commitment to contribute to economic development, particularly that which is related to the local community and environment. In addition, the goal of this pengungkapan is to gain the legitimacy of the general public, which is seen as a strategic element in assessing the success and failure of the company's operations (Wibowo & Linggarsari, 2024).

Public Share Ownership

Publicly traded stocks are owned by investors who are not directly affiliated with the company's management and do not have a specific relationship with its internal stakeholders. Businesses that are listed on the Bursa Efek Indonesia (BEI) and have a current status indicate that all of their operations are transparently disclosed to the public. Businesses with public stock ownership typically carry out information sharing in a transparent manner as a means of expressing their tanggung jawab and akuntabilitas to the general public (Gani et al., 2024).

According to legitimate theory, businesses must rely on the public's support to strengthen their operations. One possible approach is to include Corporate Social Responsibility (CSR) activities in the narrative as a means of communication and pertanggungjawaban to the important stakeholders. The public stock market encourages businesses to be more transparent in their CSR efforts to establish

social legitimacy and raise awareness of social issues. As the public's understanding of saham grows, so does the desire for businesses to increase informational capacity, including through CSR initiatives, which uphold social trust and reduce social harm (Wibowo & Linggarsari, 2024).

H1: Public share ownership has a significant positive influence on CSR disclosure.

Foreign Share Ownership

Foreign Share Ownership refers to a situation where an entity or individual from outside the country owns stock or shares in a company or asset in a country that is not their home country. The stock that is available for purchase can be owned by individuals or business institutions (Kusuma et al., 2022). Kehadiran pemegang saham asing enlarges the need for more diverse and transparanean information. As a result, businesses with foreign investors, whether through stock purchases or joint ventures, are increasingly more inclined to engage in CSR activities (Yuliandhari & Sekariesta, 2023).

The relationship between stakeholder theory and foreign stock ownership is based on the impact of foreign investors on managers' intentions to increase corporate social responsibility. The presence of foreign stock in a company is seen as a sign of a leader who has a strong interest in corporate social responsibility (CSR), which encourages managers to carry out more ambitious CSR initiatives (Ramadhan & Ernaya, 2023). As the level of asing increases, it becomes more important for management to maximize CSR as a kind of corporate social responsibility.

H2: Foreign share ownership has a significant positive influence on CSR disclosure.

Sales Growth

Muslimah et al., (2024) Sales growth is the amount of sales from one year to the next or from one period to the next. Rasio pertumbuhan penjualan might determine a company's ability to increase sales from one day to the next. Businesses that can increase efficiency and productivity via the growth of their business can more clearly understand the growth rate of their business. This makes it possible for businesses to set clear goals, giving them a clear path to achieving their objectives (Akbar & Muslih, 2023).

Stakeholder theory states that a company that can maintain a relationship with its stakeholders will benefit from increased operational efficiency, market expansion, penjualan, and larger laba. This dukungan does more than only improve a company's standing in the market; it also creates a strong bond between the company and its stakeholders. As business growth increases, so does the amount of profit that can be made by the company. This encourages businesses to be more proactive in implementing corporate social responsibility (CSR) as a means of demonstrating commitment to stakeholders and so enhancing the legitimacy of businesses in the community (Santoso & Mildawati, 2024)

H3: Sales growth has a significant positive influence on CSR disclosure.

3. Method, Data, and Analysis

This study is a quantitative study with secondary data that aims to determine the causal relationship between variables. The method used is a quantitative method with a descriptive and verification approach. The population in this study is mining sector companies listed on the Indonesia Stock Exchange during the 2021-2023 period. Sample selection was carried out using a purposive sampling technique with the following criteria: (1) Mining sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period; (2) Mining sector companies that consistently publish financial reports during the 2021-2023 period; (3) Mining sector companies that consistently publish sustainability reports during the 2021-2023 period. Based on these criteria, 24 companies were obtained as samples with a total of 72 panel data. Data analysis was carried out using panel data regression, determination coefficient test and hypothesis test with Eviews 13 software. The dependent variable in this study is Corporate Social Responsibility (CSR) disclosure, while the independent variables include public share ownership, foreign share ownership and sales growth.

Table 1. Operational Variables and Measurement

Variable	Proxy	Scale
CSR Disclosure	$CSRDI_j = \frac{\sum X_{ij}}{n_j} \times 100\%$ <p>(Sirait et al., 2023)</p>	Ratio
Public Share Ownership	$PSO = \frac{\text{Public Share Ownership Amount}}{\text{Total Company Shares}} \times 100\%$ <p>(Satriawibowo & Sandari, 2024)</p>	Ratio
Foreign Share Ownership	$FSO = \frac{\text{Amount of Foreign Share Ownership}}{\text{Total Shares Outstanding}} \times 100\%$ <p>(Ramadhan & Ernaya, 2023)</p>	Ratio
Sales Growth	$SG = \frac{\text{Sales (t)} - \text{Sales (t-1)}}{\text{Sales (t-1)}}$ <p>(Santoso & Mildawati, 2024)</p>	Ratio

4. Result and Discussion

This study uses panel data, which is a combination of cross-section and time-series data. To determine the right estimation model, the Chow Test and Hausman Test are conducted. The results of the Chow Test show a cross-section chi-square value of 0.0001 which is smaller than 0.05, so the selected model is the Fixed Effect Model (FEM). Then, the panel data test is continued with the Hausman test. Based on the Hausman test, the random cross-section probability value of 0.0011 is smaller than 0.05, which means that the selected model is the Fixed Effect Model (FEM). Thus, the estimation model used in this study is the Fixed Effect Model (FEM).

Statistic Descriptive Test

Table 2. Statistic Descriptive Test

Date: 02/18/25 Time: 17:28
 Sample: 2021 2023

	CSR	PSO	FSO	SG
Mean	0.724126	0.329047	0.290817	0.326768
Median	0.764950	0.342950	0.204050	0.222950
Maximum	1.000000	0.735500	0.826600	2.943500
Minimum	0.222200	0.076800	0.010500	-0.421700
Std. Dev.	0.199079	0.152674	0.235204	0.543327
Skewness	-0.758398	0.544027	0.941851	2.268754
Kurtosis	2.589483	3.310694	2.762988	10.53303
Jarque-Bera	7.407584	3.841174	10.81353	232.0065
Probability	0.024630	0.146521	0.004486	0.000000
Sum	52.13710	23.69140	20.93880	23.52730
Sum Sq. Dev.	2.813894	1.654966	3.927801	20.95952
Observations	72	72	72	72

Source: Secondary Data Processed by Eviews 13, (2025)

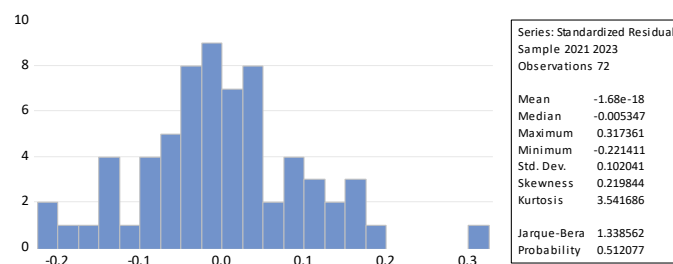
CSR disclosure has a minimum value of 0.222200, while the maximum value is 1.000000. The average of 0.724126 indicates a high level of CSR disclosure, because it is close to the maximum value. The standard deviation of 0.199079 which is smaller than the average indicates that the data tends to be homogeneous and the average value can represent the entire sample well.

Public share ownership has a minimum value of 0.076800 and a maximum of 0.735500, with an average of 0.329047 indicating a relatively low level of public ownership. The standard deviation of 0.152674 which is smaller than the average indicates that the data is quite homogeneous, so the average value can represent the entire sample well.

Foreign share ownership has a minimum value of 0.010500 and a maximum of 0.826600, with an average of 0.290817 indicating a relatively low level of foreign ownership. The standard deviation of 0.235204 which is smaller than the average indicates that the data is quite homogeneous, so that the average value can represent the entire sample well. Sales growth has a minimum value of -0.421700 and a maximum of 2.943500, with an average of 0.326768 indicating relatively low growth. The standard deviation of 0.543327 which is larger than the average indicates that the data variation is quite high (heterogeneous), so that the average value does not accurately represent the entire sample.

Classic Assumption Tests

Figure 1. Normality Test



Source: Secondary Data Processed by Eviews 13, (2025)

Figure 1 above shows that the Jarque-Bera probability value of 0.512077 is greater than 0.05, so it can be concluded that the data is normally distributed.

Table 3. Multicollinearity Test

	PSO	FSO	SG
PSO	1.000000	-0.080625	0.230194
FSO	-0.080625	1.000000	0.131691
SG	0.230194	0.131691	1.000000

Source: Secondary Data Processed by Eviews 13, (2025)

Based on the multicollinearity test, the correlation coefficient value between the independent variables does not exceed 0.85, so it can be concluded that there are no symptoms of multicollinearity between the independent variables in this study.

Table 4. Heteroscedasticity Test

Heteroskedasticity Test: Glejser
 Null hypothesis: Homoskedasticity

F-statistic	2.935714	Prob. F(3,62)	0.1401
Obs*R-squared	8.209220	Prob. Chi-Square(3)	0.1418
Scaled explained SS	5.774299	Prob. Chi-Square(3)	0.1231

Source: Secondary Data Processed by Eviews 13, (2025)

The results of the heteroscedasticity test above show that the Chi-square probability value is $0.1418 > 0.05$. This means that the data in this study does not experience symptoms of heteroscedasticity.

Table 5. Autocorrelation test

R-squared	0.132765	Mean dependent var	6.79E-17
Adjusted R-squared	0.044572	S.D. dependent var	0.155290
S.E. of regression	0.151790	Akaike info criterion	-0.832637
Sum squared resid	1.359368	Schwarz criterion	-0.600401
Log likelihood	34.47701	Hannan-Quinn criter.	-0.740869
F-statistic	1.505384	Durbin-Watson stat	1.827732
Prob(F-statistic)	0.192227		

Source: Secondary Data Processed by Eviews 13, (2025)

Based on table 4.13, the Durbin-Watson (DW) value is 1.827732. This value is then compared with the DL and DU values in the Durbin-Watson table. DW is between the DU and 4-DL values, namely $1.7054 < 1.8277 < 2.4677$ ($DU < DW < 4 - DL$), so it can be concluded that there are no symptoms of autocorrelation.

Panel Data Regression Analysis

Table 6. Panel Data Regression Analysis

Dependent Variable: CSRD
 Method: Panel Least Squares
 Date: 03/06/25 Time: 23:53
 Sample: 2021 2023
 Periods included: 3
 Cross-sections included: 24
 Total panel (balanced) observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.547764	0.082617	6.630134	0.0000
PSO	0.469565	0.192247	2.442510	0.0190
FSO	0.109854	0.141541	0.776129	0.4421
SG	0.185583	0.079087	2.346577	0.0239

Source: Secondary Data Processed by Eviews 13, (2025)

Based on the results of the panel data regression analysis calculations, the following research equation can be formulated:

$$CSRD = 0,5478 + 0,4696 (PSO) + 0,1099 (FSO) + 0,1856 (SG) + e$$

- Public Share Ownership has a positive value, which means that if other variables remain constant, an increase of one unit of public share ownership will increase CSR disclosure by 0.4696 or 46.96%.
- Foreign Share Ownership has a positive value. Assuming other variables are constant, an increase of one unit of foreign share ownership will increase CSR disclosure by 0.1099 or 10.99%.
- Sales Growth shows a positive coefficient value. This means that if other variables remain constant, an increase of one unit of sales growth will increase CSR disclosure by 0.1856 or 18.56%.

Determination Coefficient Test

Table 7. Determination Coefficient Test – Public Share Ownership

R-squared	0.546029	Mean dependent var	0.762244
Adjusted R-squared	0.313764	S.D. dependent var	0.161828
S.E. of regression	0.134057	Akaike info criterion	-0.912588
Sum squared resid	0.772765	Schwarz criterion	-0.149526
Log likelihood	53.11540	Hannan-Quinn criter.	-0.611066
F-statistic	2.350892	Durbin-Watson stat	2.391126
Prob(F-statistic)	0.008155		

Source: Secondary Data Processed by Eviews 13, (2025)

The coefficient of determination (Adjusted R-squared) for the public share ownership variable (X1) is 0.313764. So it can be concluded that the public share ownership variable can explain 31% of the CSR disclosure variable (Y). While the remaining 69% (100% - 31%) is influenced by other variables not included in this study.

Table 8. Determination Coefficient Test - Foreign Share Ownership

R-squared	0.415966	Mean dependent var	0.762244
Adjusted R-squared	0.117158	S.D. dependent var	0.161828
S.E. of regression	0.152053	Akaike info criterion	-0.660663
Sum squared resid	0.994162	Schwarz criterion	0.102398
Log likelihood	44.80188	Hannan-Quinn criter.	-0.359141
F-statistic	1.392085	Durbin-Watson stat	2.262781
Prob(F-statistic)	0.173766		

Source: Secondary Data Processed by Eviews 13, (2025)

The coefficient of determination or Adjusted R-squared value for the foreign share ownership variable (X2) is 0.117158. So it can be concluded that the foreign share ownership variable can explain 11% of the CSR disclosure variable (Y). While the remaining 89% (100% - 11%) is influenced by other variables not included in this study.

Table 9. Foreign share ownership - Sales Growth

R-squared	0.526393	Mean dependent var	0.762244
Adjusted R-squared	0.284083	S.D. dependent var	0.161828
S.E. of regression	0.136925	Akaike info criterion	-0.870245
Sum squared resid	0.806189	Schwarz criterion	-0.107184
Log likelihood	51.71809	Hannan-Quinn criter.	-0.568723
F-statistic	2.172394	Durbin-Watson stat	2.643835
Prob(F-statistic)	0.014628		

Source: Secondary Data Processed by Eviews 13, (2025)

The coefficient of determination or Adjusted R-squared value for the sales growth variable (X3) is 0.284083. So it can be concluded that the sales growth variable can explain 28% of the CSR disclosure variable (Y). While the remaining 72% (100% - 28%) is influenced by other variables not included in this study.

Hypothesis Test

Table 10. T Test Results

Dependent Variable: CSRD
 Method: Panel Least Squares
 Date: 03/06/25 Time: 23:53
 Sample: 2021 2023
 Periods included: 3
 Cross-sections included: 24
 Total panel (balanced) observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.547764	0.082617	6.630134	0.0000
PSO	0.469565	0.192247	2.442510	0.0190
FSO	0.109854	0.141541	0.776129	0.4421
SG	0.185583	0.079087	2.346577	0.0239

Source: Secondary Data Processed by Eviews 13, (2025)

The Influence of Public Share Ownership on Corporate Social Responsibility (CSR) Disclosure

Based on the results of the t-statistic test in table 10, it is known that the public share ownership variable has a t-value (2.442510) > t-table (1.99547), and a probability value of 0.0190 < 0.05. So it can be concluded that the first hypothesis is accepted, which means that public share ownership has a significant effect on CSR disclosure. This result is in line with research Rahmasari & Rahmadani (2023) and Suyono & Sastika (2023), which states that public share ownership has an effect on Corporate Social Responsibility (CSR) disclosure. However, this finding contradicts research Mulyani & Rosharlianti (2023) which shows that public share ownership has no effect on CSR disclosure.

The results of this study are in line with the legitimacy theory, which states that companies need acceptance from the community or public, which can be obtained through CSR activities. CSR disclosure in the annual report is used as a form of corporate communication to public shareholders. If the company has public share ownership, the company will be more motivated to disseminate CSR information in the annual report. The wider the CSR disclosure made, the greater the opportunity for the company to build a positive image and increase public trust. This can also reflect the transparency and accountability of the company in running sustainable business operations.

The Influence of Foreign Share Ownership on Corporate Social Responsibility (CSR) Disclosure

Based on the results of the t-statistic test in the table, it is known that the foreign share ownership variable has a t-value (0.776129) < t-table (1.99547), and a probability value of 0.4421 > 0.05. So it can be concluded that the second hypothesis is rejected, which means that foreign share ownership does not have a significant effect on CSR disclosure. This result is in line with research conducted by Ramadhan & Ernaya (2023) and Ningsih & Pertiwi (2023) which states that foreign share ownership does not affect CSR disclosure. However, this study is not in line with the study conducted by Nursadrina & Inawati (2024), which shows that foreign share ownership has an impact on CSR disclosure.

The results of this study are not in line with stakeholder theory, which states that high foreign share ownership will encourage companies to increase CSR disclosure. However, the results of this study indicate that the level of foreign share ownership, whether high or low, does not affect the extent of CSR disclosure in the company. Foreign investors tend to focus more on financial gain and are passive in strategic decision making, so they do not put enough pressure on management to increase CSR transparency. In addition, foreign ownership in companies in Indonesia has not shown significant attention to social and environmental issues, so CSR disclosure is still not a top priority for companies.

The Influence of Foreign Share Ownership on Corporate Social Responsibility (CSR) Disclosure

Based on the results of the t-statistic test in the table, it is known that the sales growth variable has a t-count value (2.346577) > t-table (1.99547), and a probability value of 0.0239 < 0.05. So it can be concluded that the third hypothesis is accepted, which means that sales growth has a significant effect on CSR disclosure. The results of this study are in line with research Ayem & Nuwa (2021) and Ramadhani et al., (2024) which shows that sales growth has a significant effect on CSR disclosure. However, this study is in contrast to the study conducted by Renata & Pratiwi (2023) CSR disclosure. However, this study is in contrast to the study conducted by Renata & Pratiwi (2023).

The results of this study are in line with stakeholder theory, which states that companies are responsible for meeting stakeholder expectations, including in social and environmental aspects. Sales growth affects CSR disclosure because sales growth reflects positive market acceptance and increases stakeholder expectations, thus encouraging companies to be more transparent. This growth also increases the company's financial capacity to fund CSR activities, while increasing exposure to public attention and regulation. Therefore, broader CSR disclosure is an important strategy for building a positive image, maintaining reputation, and supporting business sustainability.

5. Conclusion and Suggestion

Public share ownership has a significant effect on Corporate Social Responsibility (CSR) disclosure. This means that the higher the public share ownership, the higher the level of CSR

disclosure. This happens because companies strive to increase transparency and accountability to meet the expectations of shareholders and the public. Thus, public share ownership encourages companies to be more open in reporting social responsibility. Foreign share ownership does not have a significant effect on Corporate Social Responsibility (CSR) disclosure.

Ownership by foreign investors is not always followed by an increase in CSR disclosure, because CSR disclosure policies are not directly influenced by foreign share ownership. In addition, foreign investors tend to focus more on the financial aspects and profitability of the company than on openness in CSR reports. This means that both an increase and a decrease in foreign share ownership do not affect the level of CSR disclosure in the company.

Sales growth has a significant effect on Corporate Social Responsibility (CSR) disclosure. This means that the higher the sales growth, the higher the level of CSR disclosure. This is because sales growth reflects positive market acceptance and encourages corporate transparency in reporting its social responsibility activities. In addition, high sales growth increases the company's financial capacity to support CSR activities. So sales growth encourages companies to be more open in reporting their social responsibility.

This study has limitations in the scope of the sample which only covers mining sector companies listed on the Indonesia Stock Exchange (IDX), so the findings cannot be generalized to other sectors. In addition, the observation period which only lasted for three years (2021–2023) is relatively short, so it has not been able to describe changes or developments in CSR disclosure as a whole over a longer period of time. The independent variables used are also limited, so they do not fully explain variations in CSR disclosure. Therefore, further researchers are advised to expand the scope of the industrial sector and extend the observation period so that the results obtained are more accurate and reflect long-term trends. The addition of other variables is also recommended to obtain a more comprehensive understanding of the factors that influence CSR disclosure.

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7. Reference

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