e-ISSN:2829-6192, p-ISSN: 2829-6184
DOI: https://doi.org/10.38035/ijam.v2i2
Received: 210August 2023, Revised: 05 September 2023, Publish: 02 October 2023

IJAM
E-ISSN: 2829-6192, P-ISSN: 2829-6184
INTERNATIONAL JOURNAL OF ADVANCED MULTIDISCIPLINARY
https://greenpub.org/index.php/IJAM
editor@greenpub.org
0811 7401 455

The Effect Of Profitability And Leverage On Corporate Social Responsibility Disclosure (Study of the Annual Report of BUMN operating in the insurance sector for the 2016-2019 period)

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Abstract: The aim of this research is to determine and analyze: (1) Profitability (2) Leverage; (3) Disclosure of Corporate Social Responsibility; and (4) The influence of profitability and leverage on disclosure of corporate social responsibility in the annual reports of state-owned companies operating in the insurance and financial services sector for the 2016-2019 period, both simultaneously and partially. The research method used in this research is a time series, the unit of analysis in this research is the Annual Report of a BUMN Company operating in the Insurance and Financial Services Sector for the 2016-2019 Period. The type of investigation is causality, and the time horizon in this research is cross-sectional. Based on the research results, it was found that the profitability of state-owned companies operating in the insurance and financial services sector for the 2016-2019 period was good, the leverage of state-owned companies operating in the insurance and financial services sector for the 2016-2019 period could generally be said to be good, the disclosure of corporate social responsibility in State-owned companies operating in the insurance and financial services sector for the 2016-2019 period are currently considered good. Profitability and Leverage influence the Disclosure of Corporate Social Responsibility in the Annual Reports of BUMN Companies operating in the Insurance and Financial Services Sector for the 2016-2019 Period simultaneously and partially. However, partially Profitability is more dominant in influencing Corporate Social Responsibility Disclosure than Leverage Because profitability is more dominant in influencing Corporate Social Responsibility Disclosure, it is the first priority in increasing Corporate Social Responsibility Disclosure. Therefore, state-owned companies operating in the insurance and financial services sector are advised to consistently maintain existing profitability, so that the company's performance continues to increase.

Keyword: Profitability, Leverage and Disclosure of Corporate Social Responsibility

INTRODUCTION

Companies in Indonesia that have offered shares to the public (Go Public) are required to submit company financial reports periodically. This condition is because company financial reports are a source of information for investors to make investment decisions in the capital market. Then, the company's financial report is a report of management's accountability to shareholders for managing company resources. According to Financial Accounting Standards (SAK), the purpose of financial reports is to convey information about the company's financial position, company performance and changes in the company's financial position. This information provides benefits for most users of financial reports in making decisions related to the economy. This report will be submitted to Bapepam in the form of a financial report or an annual report. Financial reports consist of a balance sheet, profit and loss statement, cash flow report, report on changes in equity and notes to financial reports which are an integral part of financial reports. Meanwhile, an annual report is a report published once a year, containing financial data (financial reports) and non-financial information (Sudarmadji and Sularto, 2007:1).

CSR or commonly known as Corporate Social Responsibility has become an increasingly well-known concept in all corporate sectors. CSR or Corporate Social Responsibility is a company's responsibility for the impact of all the company's decisions and activities on society and the environment by realizing transparent and ethical behavior that is in line with sustainable development and community welfare. (ISO 26000, 2007). The development of CSR cannot be separated from the concept of sustainable development. The definition of sustainable development according to The World Commission on Environment and Development, better known as The Brundtland Commission, is that sustainable development is development that can meet current human needs without sacrificing the ability of future generations to meet their needs (Solihin, 2009 in Wakidi & Siregar (2010)). CSR disclosure is a social disclosure carried out by the company for the welfare of the surrounding community. Most companies in various business sectors in Indonesia claim that their companies have carried out their social obligations towards the environment around the company. This disclosure of Corporate Social Responsibility (CSR) is carried out to provide motivation in increasing public trust in the achievements of the company's efforts to improve the environment around the company. Corporate social responsibility is not just about improving the surrounding environment, but also community service such as providing employment opportunities to the community around the company, improving the level of community education, health services and so on. So that all companies in Indonesia are increasingly required to provide transparent information on their social activities, so that disclosure of Corporate Social Responsibility (CSR) is in line with social responsibility accounting. (Anggraeni, 2006 in Ahmad 2009).

Based on the Indonesian Accounting Association (IAI) in Statement of Financial Accounting Standards (PSAK) Number 1 (revised 2009) paragraph 12 implicitly suggests disclosing responsibility reports for social issues for companies. These reports are about the environment and value added statements, especially for industries where environmental factors play an important role and for industries that consider employees as a group of report users who play an important role.

State-Owned Enterprises (BUMN) are a form of company whose capital comes entirely or largely from separated State assets, having a role as pioneers and/or trailblazers in business sectors that are not yet in demand by the private sector in an effort to realize the greatest prosperity of the people. BUMN submits its financial reports and annual reports to Bapepam as proof of its compliance with established accounting policies. Disclosure of financial reports and annual reports of BUMN must be more transparent and in accordance with established policies. Apart from that, BUMN also has a strategic role as implementing public services, balancing the forces of the large private sector, and helping to develop small businesses/cooperatives. BUMN is also a significant source of state revenue in the form of various types of taxes, dividends and privatization proceeds. The matters mentioned above are explained explicitly in the General Explanation of Republic of Indonesia Law no. 19 of 2003 concerning State-Owned Enterprises which was ratified on June 19 2003.

CSR in BUMN is known as PKBL, PKBL is a form of responsibility of State-Owned Enterprises (BUMN) to the community. PKBL is implemented on the basis of Law No. 19 of 2003 concerning BUMN and Minister of BUMN Regulation No. Per-05/MBU/2007 which states that the aims and objectives of establishing a BUMN are not only to pursue profits but also to actively participate in providing guidance and assistance to entrepreneurs from economically weak groups, cooperatives and the community.

The involvement of State-Owned Enterprises (BUMN) in corporate social responsibility (CSR) programs through partnership and environmental development (PKBL) programs has occurred several years ago. In fact, almost every BUMN has its own PKBL unit. The CSR program that is often attached to BUMN has the impression of wasting money without a clear purpose. The figures contained in the BUMN annual report through PKBL are enough to give rise to oblique accusations, which say that BUMN's involvement is only due to compliance with the government and shareholders. As a result, CSR activities in BUMN are just a patch and no effort is made towards value creation. This can be seen from the amount and timing of government funds disbursed to develop SMEs. Then, there was a lot of news about the existence of the people's business credit program (KUR). The funds that have been absorbed are directly proportional to the unclear distribution of PKBL funds. The main problem is that people are given capital without providing adequate assistance. Therefore, banks, state-owned companies and the private sector say they want to help micro and small entrepreneurs, but no one dares to provide loans to business units that are still in the incubation or start-up period. (http://feb.uhamka.ac.id/kemitraan-csr/kemitraan-csr/).

Cases of corruption in CSR (Corporate Social Responsibility) funds arise as a result of the low morality of Indonesian citizens in upholding the mandate they carry. Funds originating from companies that should be intended for community empowerment are instead circumcised and distributed here and there as they please. The latest case is the deviation of CSR funds from PT Aneka Tambang (Antam) which involved officials from Jend Sudirman University as the program implementer. Previously, several elements from the Palembang City Government were also taken to court for allegedly cutting CSR funds from PT Pusri. Moreover, there is still a large possibility that CSR funds from these companies amounting to trillions of rupiah have not flowed on target. The CSR program, which is conceptually expected to provide concern from the company to participate in overcoming social problems, ends up causing a lot of problems. Since the introduction of CSR, the issue of CSR obligations in Indonesia has brought problems. The obligation to implement CSR for companies regulated in Law No. 25 of 2007 concerning Capital Investment (UUPM) and Law No. 40 of 2007 (UUPT) concerning Limited Liability Companies cannot be implemented simply. Not to mention the clause regarding the Partnership and Community Development Program (PKBL) which is regulated in Law No. 19 of 2003 concerning State-Owned Enterprises (BUMN Law) which is substantively the same as the CSR Program. Regarding the amount of costs, the UUPM does not clearly state the amount and source. In the Company Law, CSR funds must be budgeted based on appropriateness and fairness. Meanwhile, the BUMN UU explained in the Minister of State for BUMN Regulation No Per-05/MBU/2007 (Per.Men PKBL) regulates PKBL funds at 4% of net profits. Confusion over these rules has the potential to give rise to conflict or be misused. Partnership programs that are training and mentoring have a maximum operational fund of 20%, while for Environmental Development that is a donation, the amount is 5% for operational costs. But there are no standard rules regarding how much operational costs are for CSR. Therefore, it is best to implement a CSR program, whether carried out by the company itself or in collaboration with a third party (could be a university or NGO), the size of which refers to the PKBL Men's Regulation. (http://krjogja.com/liputan-cepat/analysis/1809/pengimpangan-dana-csr.kr).

Chairman of the Ombudsman of the Republic of Indonesia, Danang Girindrawardana, assessed that the implementation of environmental development and community social responsibility partnership programs by state and regional companies has not been properly reported. According to Danang, of the many notification letters and requests for reports on CSR activities submitted to state and regional companies, not all of them have reported them, at a press conference in Jakarta Thursday (25/9/2014). Apart from these problems, Danang believes that there are also state and regional companies that carry out CSR activities without proper planning and follow-up. However, there are quite a few who carry out CSR activities well, and have independent institutions that continue activities that care about sustainability. -and-bumd-report-csr)

Agatha's research (2012) concluded that the level of CSR disclosure in companies listed on the Indonesia Stock Exchange (BEI) in 2010 and 2011 was still low, namely 30%. In accordance with what Ali (2008:52-54) stated, in Indonesia many companies have implemented CSR but very few have disclosed it in a report. CSR is essentially a mechanism for integrating social and environmental issues into company operations, and then communicating them with stakeholders. CSR is not just a company donation activity (Corporate Philanthropy), but its scope is much broader, covering issues: human rights, labor, the environment and social society, up to the impact of products on customers.

Chapple and Moon (2005) compared CSR reporting via websites from the 50 largest companies (in terms of operating income) in seven Asian countries, including Indonesia. The results of their study found that only 24% of companies in Indonesia reported CSR activities, which the study divided into three categories: community involvement, production processes, and socially responsible work relations. This proportion is the lowest compared to other countries.

Hartanti (2007) conducted further research, using a list based on the Global Reporting Initiative (GRI) Guideline. Disclosure is divided into two, namely disclosure of environmental information and disclosure of environmental management systems. The sample used was 81 state-owned and publicly traded manufacturing companies that had received PROPER from the Ministry of the Environment. Hartanti (2007) found that the average disclosure of environmental information was relatively low, namely only 8.3 out of a maximum score of 30; Likewise, the average disclosure of environmental management systems is also low, namely 2.6 out of a maximum score of 7.

CSR information is the most important part of a company's annual report. The company must pay attention to the disclosure of this information because it has an impact on the company's value in the future. Disclosure of information in annual reports is important in achieving a means of public accountability. Companies are expected to be more transparent and accountable in disclosing the company's annual reports. The information contained in the annual report is the main focus for decision makers such as investors, creditors and other information users. The information presented must be able to avoid the level of risk and uncertainty faced by decision makers. Companies require adequate disclosure, so that the information presented in the annual report can be understood by users. Extensive disclosure is needed by information users, especially investors and creditors, in order to make investment decisions. However, not all information held by the company must be disclosed in detail and transparently.

Vintila & Duca (2013) argue that CSR disclosure can be influenced by several factors, such as company size, profitability, industry type, company age, leverage, size of the board of commissioners, media exposure/internet web, profitability, share ownership by the public, share ownership by institutions, and so on. The factors that have the most influence on disclosure from several previous studies are company size and profitability. The results of research by Vintila, et al., (2013) in Nigeria stated that the factors that significantly influenced the disclosure of CSR reports by 75.92% were company size and profitability, while 24.08% were influenced by other variables.

Furthermore, profitability is a factor that provides freedom and flexibility to management in expressing its social responsibility (Heinze (1976) in Hackston and Milne (2006) in Anggraeni (2006)). According to Kokubu et, al., (2001) in Sembiring (2005) there is a positive relationship between a company's economic performance and its disclosure of social responsibility. This is related to legitimacy theory, which is one of the arguments in the relationship between profitability and the level of disclosure of social responsibility, where when companies that have high profitability will disclose wider social responsibility in their annual reports because they want to show that the company is in a competitive position. strong and shows that the company's performance is running efficiently. So that profitability has a positive relationship with the level of disclosure of corporate social responsibility.

Companies that have profitability will make wider disclosures. Barako (2007) in his research in Kenya proves that there is a positive correlation between ROA and voluntary disclosure. This is in line with research by Rouf (2010) which found evidence that profitability has a relationship with voluntary disclosure. However, research conducted by Hardiningsih (2008) shows that profitability has no effect on voluntary disclosure. Sembiring (2005) proves a different thing that companies that have a lower level of profitability will be more transparent in reporting and believe that investors will continue to invest after reading the social information. Companies with high profitability are more interested in focusing on disclosing financial information only.

Then, Leverage becomes one of the factors that influences disclosure of corporate social responsibility. Leverage is a tool to measure how much a company depends on creditors in financing company assets. A company that has a high level of leverage means it is very dependent on external loans to finance its assets. Meanwhile, companies that have a lower level of leverage finance more of their assets with their own capital. The company's leverage level describes the company's financial risk. Leverage can be said to be an indicator used by companies to measure the extent of the company's ability to carry out its financial obligations to creditors and the level of forest use as a source of company financing. The position of leverage is as important as profitability, so companies must consider it before making social disclosures in their annual reports because it is directly related to new expenses or additions that can reduce the company's income.

The research results of Belkaoui and Krpik (1989) in Anggraeni (2006), show that leverage has a negative influence on the level of disclosure of corporate social responsibility. Agency theory predicts that companies must reduce costs, including the costs of expressing social responsibility, so that companies can provide high profits. Therefore, the company is able to finance its debt obligations to creditors. Additional information is needed to eliminate doubts by bond holders regarding the fulfillment of their rights as creditors. (Schipper, 1981 in Marwata, 2001 and Meek, et al., 1995 in Fitriani, 2001)

Barako (2007), Nandi and Ghosh (2012) and Primastuti and Ahmad (2012) found evidence of a significant influence between leverage and voluntary disclosure. However, Mujiyono and Nany (2010) and Septiani (2011) reveal that company leverage has no effect on the extent of voluntary disclosure.

The problem formulation contains article questions that must be explained in the discussion and answered in the conclusion.

1. What is the effect of Profitability on Corporate Social Responsibility Disclosure in state-owned companies operating in the insurance and financial services sector for the 2016-2019 period;
2. What is the effect of Leverage on Corporate Social Responsibility Disclosure in state-owned companies operating in the insurance and financial services sector for the 2016-2019 period?.

METHOD

This research uses an expanatory approach. (Roswinna, et al, 2023); Anggraeni, et al (2023); Anggraeni, et al (2023); Pratiwi Puteri, et al (2023); Fitri Anggraeni, et al (2023); Deden, et al (2023); Agus Mulyana, et al (2023); Agus Mulyana, et al (2023). The object of this research is the cigarette industry listed on the Indonesian stock exchange. This data is used to obtain accurate information that will be used as an analytical tool using secondary data from the results of Indonesian Stock Exchange publications starting from 2016 to 2019, as well as other data needed in this research which is sourced from the internet, namely from the official website of the Indonesian Stock Exchange which was analyzed using path analysis.

In this study, the population size of state-owned companies listed on the IDX is (N) 119 companies. However, the sample is a state-owned company that operates in the insurance services sector which is listed on the IDX. Then, an analysis unit of 11 state-owned companies in the Insurance Services sector was obtained from the companies' Annual Reports for the 2016-2019 period.

RESULTS AND DISCUSSION

To reveal the influence of a variable or set of variables on other variables, Path Analysis can be used. In this path analysis, the magnitude of the influence of one variable on other variables, both directly and indirectly, can be known. Before making a decision regarding the magnitude of the influence of a variable on other variables, hypothesis testing is first carried out, either as a whole or individually.

To find out whether the independent variables, namely Profitability and Leverage, relate to Corporate Social Responsibility Disclosure in BUMN Companies operating in the Insurance and Financial Services sector for the 2016-2019 period, this was done using path analysis and the software used was SPSS. The steps taken are to calculate the correlation between variables, so that it is obtained as shown in table 1 below.

Table 1. Correlation Matrix Between Variables

Correlations

		PENGUNGKAPAN TANGGUNGJAWAB SOSIAL	PROFITABILITAS	LEVERAGE
Pearson Correlation	PENGUNGKAPAN TANGGUNGJAWAB SOSIAL	1.000	.797	.871
	PROFITABILITAS	.797	1.000	.634
	LEVERAGE	.871	.634	1.000
Sig. (2-tailed)	PENGUNGKAPAN TANGGUNGJAWAB SOSIAL	.	.000	.008
	PROFITABILITAS	.000	.	.005
	LEVERAGE	.008	.005	.
N	PENGUNGKAPAN TANGGUNGJAWAB SOSIAL	44	44	44

PROFITABILITAS	44	44	44
LEVERAGE	44	44	44

Source: SPSS output results

1. The relationship between the Profitability variable (X1) and the Leverage variable (X2), obtained a correlation coefficient value of 0.634. Thus, it can be said that Profitability and Leverage have a positive relationship with strong criteria
2. The variable relationship between Profitability (X1) and the Social Responsibility Disclosure variable (Y), obtained a correlation coefficient value of 0.797. Thus, it can be said that Profitability with Disclosure of Social Responsibility has a positive relationship with the Strong criteria
3. The variable relationship between Leverage (X2) and the variable Disclosure of Social Responsibility (Y), obtained a correlation coefficient value of 0.871. Thus, it can be said that Leverage with Disclosure of Social Responsibility has a positive relationship with the Very Strong criteria.

Based on the table above, it is a correlation matrix between variables which shows the magnitude of the relationship between variables, both dependent and independent. The proportions for the path diagram are two independent variables (X1 and The steps for calculating path analysis are as follows:

$P_{Yxi} = \sum_{j=1}^{k} CR_{ij}\, r_{yx_j}$ I = 1,2

And the overall influence is X1 to X2 $R^2_{YX_1X_2\ldots X_7} = \sum_{i=1}^{k} p_{YX_i}\ r_{YX_i}$

= 0.416

Meanwhile, the path coefficients of other variables outside variables X1 to X2 are determined through :

$p_{Y1\varepsilon1} = \sqrt{1 - R_{YX1X2}}$

= 0.584

This means that the influence of variables X1 and X2 together on variable Y is 0.416 or 41.6% of variables X1 and

Based on the theoretical framework that there is an influence between Profitability and Leverage on Corporate Social Responsibility Disclosure, we will then test the overall hypothesis in the following form:

1) Simultaneous Hypothesis Testing

To find out whether the independent variables, namely Profitability (X1) and Leverage (X2) simultaneously influence Corporate Social Responsibility Disclosure (Y) in BUMN Companies operating in the Insurance and Financial Services sector for the 2016-2019 period, where the hypothesis statistics can be stated in the form as follows:

Ho : $P_{Y\,X1} = P_{Y\,X2} = 0$ There is no influence of Profitability and Leverage on Corporate Social Responsibility Disclosure

Hi : $P_{Y\,X1} = P_{Y\,X2} \neq 0$ There is an influence of Profitability and Leverage on Corporate Social Responsibility Disclosure

Hypothesis testing is carried out using the F test statistic, with the provisions of accepting Ho if Fcount < Ftable and rejecting Ho if $F_{test} > F_{table}$. From calculations using SPSS software, the following results were obtained:

Table 2. Simultaneous Testing
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	180.027	2	40.013	48.554	.000[b]
	Residual	147.914	41	4.678		
	Total	327.941	43			

a. Dependent Variable: PENGUNGKAPAN TANGGUNGJAWAB SOSIAL
b. Predictors: (Constant), LEVERAGE, PROFITABILITAS
Source: SPSS output results

Based on the results of these calculations, it turns out that F_{test} of 17,255 is greater than F_{table} 3.23 (Fo > F* : (k,n-k-1) (48,554 > 3.23), so the hypothesis is accepted or H0 is rejected. This means that individual testing with the hypothesis can continue to be carried out, namely:

2) Individual Hypothesis Testing

Individual testing is carried out when simultaneous testing rejects the null hypothesis meaning that there is at least one path coefficient that is not equal to zero. This test is used to determine or test the influence of each independent variable whether individually it is significant or not. Because the overall test produced a significant test, the next analysis was carried out by testing individually (partial testing)..

Ho : $P_{Y\,X2}$ = 0, There is no influence of Leverage on Corporate Social Responsibility Disclosure

Hi : $P_{Y\,X_2}$ ≠ 0, There is an influence of Leverage on Corporate Social Responsibility Disclosure

Test statistics for each hypothesis

$$t_{0i} = \frac{p_{YXi}}{\sqrt{\frac{\left(1 - R_Y{}^2{}_{X_1X_2X_3}\right)Cr_{ii}}{n-k-1}}} \quad , i = 1,2,3\,(\mathit{output}\ \text{SPSS lihat lampiran})$$

Reject H_o, if $t_{oi} > t_{1-\alpha\ (n-k-1)}$

Using the t distribution table, we get: (SPSS results according to the attachment).

$t_{0,95(56-2-1)} = t_{tabel} = 1.68$

Table 3. Testing hypotheses X1 and X2 to Y

Path Coefficient		**T_{test}**	**t_{table}**	**Summary**
PYX_1	0.357	2.239	0.007	Ho Reject There is an influence of profitability on disclosure of social responsibility
PYX_2	0.419	3.305	0.002	Ho Reject There is an influence of leverage on disclosure of social responsibility

Berdasar hasil perhitungan nilai koefisien jalur variabel (X_1) dan (X_2) terhadap (Y), yang didapatkan dengan menggunakan progaram SPSS, Dengan demikian sesuai dengan kaidah keputusan, bahwa harga-harga t_{hitung} jatuh didaerah H_0 *ditolak* artinya koefisien jalur *signifikan*, sehingga diagram jalur tidak mengalami perubahan. Secara konsep dapat dijelaskan bahwa seluruh aspek profitabilitas dan aspek leverage berpengaruh terhadap pengungkapan tanggungjawab sosial perusahaan.

Selanjutnya akan diuji keberartian (signifikansi) koefisien kolerasi antar varibel X_1 dan X_2 dengan hipotesis sebagai berikut:

Dengan statistik uji sebagai berikut

$$t = \frac{r}{\sigma_2} dan \sigma_2 = \frac{1}{\sqrt{n-3}}$$

Tolak H_o Jika $t_{hitung} > t_{(1-\alpha/2;n-k-1)}$ dengan menggunakan tabel t distribusi diperoleh (sesuai lampiran IBM SPSS).

Tabel 4. Pengujian Korelasi antar variabel X

Koefisien Korelasi	T_{hitung}	t_{tabel} α = 0,05	Kesimpulan
0.634	2.994	0.005	Ho tolak Terdapat hubungan yang signifikan antara X_1 dan X_2

Source: SPSS output results

From the correlation test between variables X, it turns out $t_{test} > t_{table}$, then H0 is rejected, meaning there is a direct relationship between the Profitability and Leverage variables. The complete causal relationship diagram for variables X1 and X2 to Y is as follows

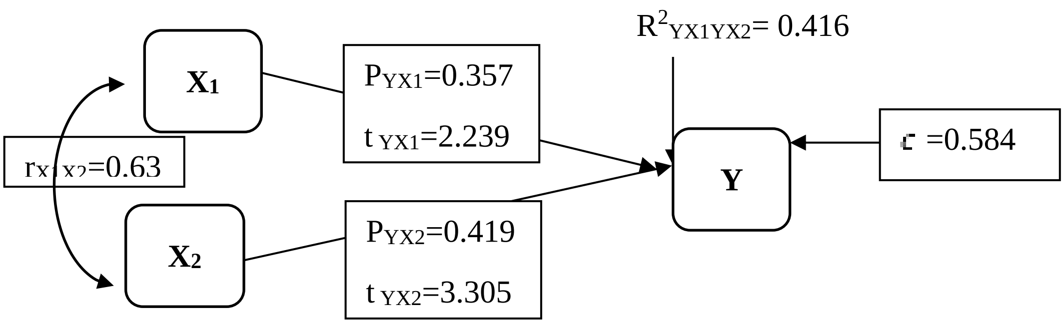

Figure 1. Causal Diagram between Profitability (X1) and Leverage (X2) on Corporate Social Responsibility Disclosure (Y)

From the structural picture of the relationship between variables with the structural parameter values above, the influence of the causal variables on the variables is the influence of profitability and leverage on corporate social responsibility disclosure in state-owned companies operating in the insurance and financial services sector for the 2016-2019 period. is :

Table 5. Influence of Variables X1 and X2 on Y and Influences Outside of Variables X and Y

Path Coefficient Interpretation		
Explanation	**Effect**	**%**
Effect X_1, X_2 to Y	0.416	41.6
Outside Effect X_1, X_2 and Y	0.584	58.4
Total		100

Source: SPSS Program Statistical Processing Results

From the test results it can be seen that Profitability and Leverage together influence Corporate Social Responsibility Disclosure, namely 41.6%, while the remaining 58.4% is influenced by other factors not examined by the author, namely liquidity, current ratio which requires further research. . However, if viewed partially, Leverage is more dominant in influencing Corporate Social Responsibility Disclosure than Profitability. This can be understood because each indicator of Profitability and Leverage is used as an aspect of measuring Social Responsibility Disclosure.

Based on the results of the calculations above, it can be revealed that the Profitability of Disclosure of Corporate Social Responsibility in BUMN Companies operating in the Insurance and Financial Services sector for the 2016-2019 period can be seen in table 6 below.:

Table 6 Direct and Indirect Effects of Profitability on Corporate Social Responsibility Disclosure

Path Coefficient Interpretation			
Ket		**Effect**	**%**
X_1	Direct Effect to Y	0.1275	12.75
	Indirect Effect X_2 to Y	0.0948	9.48
Total		0.2223	22.23

Source: SPSS Program Statistical Processing Results

From the table above it can be seen that the contribution of Profitability to disclosure of corporate social responsibility is directly 12.75% with a tcount coefficient of 2.239, while for the ttable value at the significance level α(0.05) = 0.007, because the tcount > ttable value, and indirectly through the Leverage variable of 9.48%. While the overall contribution of Profitability to Corporate Social Responsibility Disclosure reached 22.23%, it can be concluded that Profitability has a significant direct effect on Corporate Social Responsibility Disclosure. This empirical evidence provides an indication that in an effort to increase corporate social responsibility disclosure, it is necessary to improve the profitability factor, because of the accountability factor. closely related to increasing implementation effectiveness.

Likewise, from the results of the calculations above, it can be revealed that the influence of Leverage on Corporate Social Responsibility Disclosure both directly and indirectly can be seen in table 7below. :

Table 7 Effect of Leverage on Disclosure of Corporate Social Responsibility

Path Coefficient Interpretation			
Ket		**Effect**	**%**
X_2	Direct Effect to Y	0.0755	7.55
	Indirect Effect X_2 to Y	0.0948	9.48
Total		0.1703	17.03

Source: SPSS Program Statistical Processing Results

From the table above, it can be seen that the direct contribution of Leverage to Corporate Social Responsibility Disclosure is 7.55%, with a t-count coefficient of 3.305, while the t-table value is at the significance level α(0.05) = 0.002, because the t-count > t-table value, and not directly through the Profitability variable of 9.48%. Meanwhile, Leverage's contribution to Corporate Social Responsibility Disclosure as a whole reached 17.03%, it can be concluded that Leverage has a direct effect on Corporate Social Responsibility Disclosure. The path coefficient shows a positive and significant value, meaning that if Leverage increases, Corporate Social Responsibility Disclosure will also increase.

CONCLUSION AND SUGGESTION

Conclusion

Based on the results of research that has been carried out to determine the influence of profitability and leverage on disclosure of corporate social responsibility in state-owned companies operating in the insurance and financial services sector for the 2016-2019 period, the following conclusions can be drawn:

1. Profitability is the most important thing in every existing institution, both business and non-business. Profitability is reflected in the extent to which the organization is able to account for its finances. Profitability in state-owned companies operating in the insurance and financial services sector for the 2016-2019 period has been good so that they are able to increase corporate social responsibility disclosure.
2. Leverage is the most important thing in every existing institution, both business and non-business. Leverage is reflected in the extent to which an organization is able to finance its debts through the company's current assets. Leverage in state-owned companies operating in the insurance and financial services sector for the 2016-2019 period has been good so that they are able to increase corporate social responsibility disclosure.
3. Disclosure of Corporate Social Responsibility is the most important thing in every existing institution, both business and non-business. Disclosure of Corporate Social Responsibility is reflected in the extent to which the organization is able to allocate funds for the benefit of the environment and disclose it in the annual report. Disclosure of Corporate Social Responsibility in state-owned companies operating in the Insurance and Financial Services sector for the 2016-2019 period is good.
4. Profitability and Leverage simultaneously influence Corporate Social Responsibility Disclosure in BUMN Companies operating in the Insurance and Financial Services sector for the 2016-2019 period. However, partially Profitability is more dominant in influencing Corporate Social Responsibility Disclosure than Leverage. Partially, the influence of profitability and leverage on disclosure of corporate social responsibility in state-owned companies operating in the insurance and financial services sector for the 2016-2019 period is as follows:
   a. Profitability influences Corporate Social Responsibility Disclosure, so that if Profitability is high, Corporate Social Responsibility Disclosure will also increase
   b. Leverage influences Corporate Social Responsibility Disclosure, so the higher the Leverage, the higher the Corporate Social Responsibility Disclosure will be.

Suggestion

Based on the results of research and observations that have been carried out, the author would like to propose several suggestions that can be taken into consideration for Corporate Social Responsibility in BUMN Companies operating in the Insurance and Financial Services sector to increase Profitability, Leverage and Disclosure of Corporate Social Responsibility. These suggestions include:

1. Profitability is more dominant than Leverage in Disclosure of Corporate Social Responsibility in State-Owned Companies operating in the Insurance and Financial Services sector, indicating that State-Owned Companies operating in the Insurance and Financial Services sector have again increased the level of Leverage in increasing Disclosure of Corporate Social Responsibility.
2. Suggestions for Knowledge Development
   a. There are still many other factors that influence Corporate Social Responsibility Disclosure, apart from the variables in this research, for example Voluntary disclosure, total asset management ratio and other factors that need to be researched further, because it is possible that there are other factors besides those in this research that have a dominant influence. to increase disclosure of corporate social responsibility.
   b. The results of this research can also be applied at higher levels, for example ministries and higher government institutions. Therefore, it is hoped that this research will be

continued with different objects, so that the benefits of the results of this research will be wider.

c. This research uses standard variable regression analysis techniques (path analysis), so that it can be studied using other analysis techniques such as SEM (Structural Equation Modeling).

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