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ANALYSIS OF INDEPENDENT BOARDS AND CORPORATE SOCIAL RESPONSIBILITY WHICH IS INFLUENCED BY THE ROLE OF STAKEHOLDERS' MEDIATION IN INDONESIA

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ABSTRACT

This study tries to find out how stakeholders' mediated roles affect independent boards and corporate social responsibility. This time, the independent board of commissioners, a CSR variable, is the research variable, and it is assessed using disclosure of the entity's social actions. For the 2017–2021 timeframe, a sample of 690 firms listed on the Indonesia Stock Exchange served as the research's sample. The author's research data came from financial and annual reports found on www.idx.co.id. The research approach used for this study's data analysis was panel regression. The study's findings demonstrate that independent board characteristics have a considerable negative impact on CSR reporting, which is tempered by stakeholder influence, expense, and ability.

Keywords: Corporate Social Responsibility, Board Independent, Stakeholder.

Introduction

In Indonesia, environmental issues for private and state companies are still of little concern to the local government or the community itself because they are still indifferent to their respective obligations to protect the surrounding environment. However, outside Indonesia, this environmental problem continues to be a problem discussed globally to this day. Many companies implement social responsibility which is not in accordance with legal regulations(Itan, Laudeciska, Karjantoro, & Chen, 2023). They carry out social responsibility only for personal interests which can only benefit the company and only to create a good face for the company. So that in carrying out this activity many things happen that are more detrimental to parties outside the company and more profitable for the company internally. Various problems arise from the implementation of social responsibility activities carried out by entrepreneurs, such as social responsibility activities carried out that are not in accordance with the needs of the population, cost problems, lack of performance and quality of human resources that support activities, activity licensing problems, lack of cooperation with parties outside the company. , lack of familiarity with environmental targets due to not carrying out socialization, etc.

These social responsibility activities are carried out by an entity to fulfill their responsibilities and prove their commitment to caring for the environment and society(Anita & Amalia, 2021). This corporate social activity has a strong relationship with sustainable development because it can increase the quality of life and the environment which has benefits, and with this Corporate Social Responsibility activity, the entity has a more integrated responsibility to all stakeholders, for example "employees, shareholders, consumers, communities." , as well as the environment in all operational factors of the entity within the scope of social, economic and environmental factors" (Yopie & Robin, 2023; Wati & Malik, 2021). There are 5 things related to corporate social responsibility activities, namely products, human resources, life efficiency, environment and community development. In 2007 the Indonesian government decided to issue legal regulations regarding Corporate Social Responsibility, there are at least 7 laws that regulate Corporate Social Responsibility activities in Indonesia, consisting of, First: BUMN Ministerial Decree Per-05/MBU/2007 concerning the Community Development Partnership Program (PKBL) ; Second: Limited Liability Company Law Regulations of 2007 No. 40, article 74; Third: Government Regulation (PP) of 2012 No. 47 concerning Social and Environmental Responsibility; Fourth: Capital Investment Law of 2007 No. 25 article 15 (b); Fifth: Law on Oil and Natural Gas of 2001 No. 22; Sixth: Law of 2011 No. 13 concerning Handling the Poor, this Law does not specifically discuss the duties and benefits of entities in overcoming poverty, but there is also a clause in article 36 paragraph 1, and finally; Seventh: Regulation of the Minister of Social Affairs of the Republic of Indonesia of 2012 No. 13 concerning the Business World Responsibility Forum in the implementation of Social Welfare. From the legal regulations above, entities in Indonesia are required to disclose corporate social responsibility activities.

On April 22 2021, based on reporting by APINDO (Indonesian Employers' Association) on research on the implementation of Corporate Social Responsibility by entities in Indonesia, it was stated that in Indonesia there are many companies that are still indifferent to the implementation of Corporate Social Responsibility, so it could be said that the level of Corporate Social Responsibility reporting in Indonesia is low

compared to other countries. In fact, companies can gain many benefits if this social responsibility is implemented. An example is the case of PT Kilang Pertamina International (KPI), Pertamina's refining and petrochemical subholding which carries out Corporate Social Responsibility activities by encouraging and assisting the people of Riau in preventing peatland fires and preventing coastal erosion, in Sei Pakning Riau. Residents in Sei Pakning, assisted by Pertamina, have developed efforts to protect village land from peatland fires by planting pineapples which have the benefit of being a plant that can survive on peatlands and as an environmentally friendly firebreak in the event of a fire.

With the help of PT KPI, the people around Sei Pakning Riau are no longer worried and afraid that fires will occur on the peat land because the peat land can easily catch fire if they don't know how to prevent and care for the graves properly. Then PT KPI also moved and encouraged the community together to mitigate abrasion by planting mangroves on the coast, together with the Harapan Mangrove Group, whose members are fishermen in the village. The women in this village are also encouraged to process fishery and mangrove products. For example, jeruju leaf sticks, kedabu fruit syrup, even dodol and the harvest is resold as typical Riau souvenirs. The implementation of Corporate Social Responsibility carried out by PT KPI could be carried out well and provide positive benefits for the environment and society if only the independent board and company stakeholders in Indonesia realized that carrying out this Corporate Social Responsibility practice would provide good benefits for those around them. both society and the environment and it also turns out to have an influence on increasing company profitability, this will definitely have an important impact on achieving Indonesia's SDGs.

Implementation of Corporate Social Responsibility usually will not run by itself if there is no support and encouragement from an independent board of commissioners where they have the task of supervising work, providing input to the entity's management carried out by the directors and are also responsible for determining whether management can carry out their responsibilities in advance, improve, innovate, and maintain the entity's internal control. According to Septiani (2019), with the power it has, the independent board of commissioners has strong enough power to emphasize company management in expressing the entity's social responsibilities. Agency theory defines that if data asymmetry inherently exists in agencies due to managers having much more data than investors, this can be minimized by an active board that maintains managerial concealment and distortion. 2 systems that have the potential to minimize agency problems and asymmetric data and minimize agency costs are board oversight and transparency through disclosure. An independent board of commissioners is needed to control management more tightly and introduce information disclosure. If the commissioner has an independent spirit, then the decisions made by the entity will have an objective spirit (Anggraeni, 2020).

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Theoritical review

Corporate Social Responsibility (Social Responsibility)

In Mathews' article (1995) (Purwanto: 2011: 18) Corporate social responsibility is a process of making contact with the social and regional impacts of an organization's economic activities on specific groups with goals and on the population as a whole.

There are even some companies that consider that communicating or realizing corporate social responsibility is as important as the corporate social responsibility activity itself. By providing socialization on corporate social responsibility activities, more and more people will be aware of corporate social investments so that the level of corporate risk in facing social disruption will decrease. So informing the public about Corporate Social Responsibility will add value to the company's social hedging. Corporate social responsibility is also a type of entity's responsibility in its area for social concerns or environmental responsibilities that do not exceed the competence of an entity(Sitorus & Mangoting, 2014).

Hypothesis Development

Influence*Independent board*n the implementation of Corporate social responsibility moderated by Stake holder power

To build a company, there will be stakeholders in it. The stakeholders referred to are the shareholders of the company, the government, creditors, consumers, suppliers and also the community. To have a company that continues to develop and progress, there must be positive encouragement from stakeholders to the internal company, such as stakeholder decisions that build the company's goodwill for services to the community, where these activities will also be monitored and supervised by the board of commissioners. With positive encouragement from stakeholder power towards the board of commissioners, the company will have better value in the eyes of the public.

Agency theory defines that data inherently resides in the organization because managers have more data than investors, this can be minimized by an active board that monitors managerial concealment and distortion. Two systems that have the potential to minimize agency problems and asymmetric data and minimize agency burdens are board supervision and transparency through disclosure. An independent board of commissioners is needed to supervise management more closely and introduce data elaboration. If the commissioner has an independent spirit, the decisions made by the entity will be objective(Anggraeni, 2020). With evidence that the scale of the independent board of commissioners has a positive impact on CSR. This independent board of commissioners can prove that if there are more total independent commissioners in an entity, the opportunities for disclosure carried out by the entity will expand. By conducting this research, it shows that the size of the independent board of commissioners has a positive impact on CSR by showing that the size of the independent board of commissioners has a positive impact on disclosure. CSR(Princess, 2013). According toRichard (2013)that the support of the company's board of commissioners in implementing CSR has had an important positive impact on corporate social responsibility activities.

For example, the smooth running of social responsibility activities will be smooth because the stakeholders encourage and provide support for the board of commissioners to make decisions and supervise them well so as to produce the best social responsibility activities for all parties. At this time in Indonesia, entities are starting to move to implement Corporate Social Responsibility (CSR) with the aim of creating relationships with the community and stakeholders.(Yu & Choi, 2016). According toNishitani et al., (2017)This corporate social responsibility is implemented to prove the improvement in environmental performance and also the pressure of environmental regulations. Not only that, corporate social responsibility can be proven

to stakeholders(Hamann & Kapelus, 2004). With regard to Corporate social responsibility and the environment, stakeholders want Corporate social responsibility practices implemented by industry, especially the mining sector, which results in negative impacts from its activities on the surrounding environment and society.(McDonald & Young, 2012).

H1: The independent board can have a significant negative effect on the implementation of corporate social responsibility by being moderated by stakeholder power

Influence*Independent board*towards the implementation of Corporate social responsibility moderated by Cost

Based on International Standard ISO 26000 (2010) inYudharma et al., (2016)Corporate social responsibility is the responsibility of an organization as a result of environmental and social choices and activities, through transparent and ethical actions that create involvement in continued development, health and welfare of the population; consider the wishes of stakeholders; based on the application of law in line with international rules of conduct and connected to all organizations and practiced in a relationship. Understanding corporate social responsibility consists of 3Ps, namely people, profit and planet. This draft contains the definition of business not only to make a profit but to create prosperity for other humans and ensure the survival of the earth (planet).(Nugroho & Yulianto, 2015).

When carrying out environmental management to overcome the consequences, the entity will of course allocate environmental costs. However, the entity assumes that environmental costs are only an additional factor in the expenditure of funds for the entity. On the other hand, the entity assumes that environmental costs are a reduction in profit for the entity. There should be an allocation of environmental management costs to prove the stabilization of environmental awareness carried out by the entity which results in the creation of public trust in the company's social responsibility. These environmental costs are also known as long-term capital, because the expenditure of funds can help the company's image, which can result in increasing stakeholder trust. on the entity(Meiyana & Aisyah, 2019).

Corporate social responsibility costs certainly reduce the profits obtained by the entity, but in reality Corporate social responsibility costs have the opportunity to increase income whose nominal value may be higher than Corporate social responsibility costs resulting in increased profits. When an entity discloses costs for corporate social responsibility, the entity will provide information related to the good hopes that the entity has for the recipients of the information, especially investors.(Yudharma et al., 2016).

H2: The independent board can have a significant negative effect on the implementation of corporate social responsibility, moderated by cost.

The influence of the independent board on the implementation of corporate social responsibility is moderated by Ability

The number of independent board of commissioners is assessed from the total percentage of members of the board of commissioners who come from outside the entity (external) who do not have business or family connections with the entity of each issuer in accordance with the regulations regulated in the IDX, which is

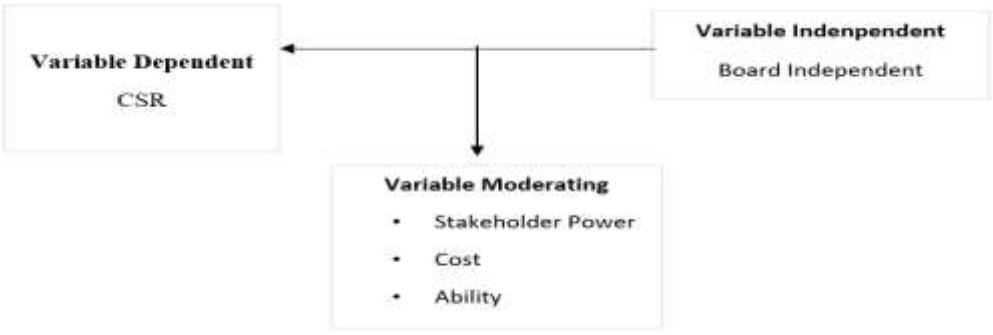
equivalent to minority share ownership or at least consists of of 30% of the total members of the board of commissioners. Increasing the number of independent boards in a company will cause corporate social responsibility disclosure to increase according to Ratnasari (2010) and Chandra (2012) but according to other research results by Cynthia Dwi Putri (2013), Sari (2014), Sabrina & Felipta (2016) they revealed that the proportion of the independent board has no influence on the CSR disclosures made by the company.Usually*CSR*Disclosure is often referred to as corporate social responsibility reporting, usually in this reporting there will be photos, graphs, narrative text and tables, which contain a description of the implementation of the entity's sustainability. This sustainability reporting can usually be designed by management using a rhetorical story to describe the user's company image using narrative text.

Through this narrative text, companies can actively try to create a positive image and avoid negative imagesGardner & Martinko (1988). The process applied by an entity in sending messages through sustainability reporting is a communication strategy for the entity in building public trust or gaining public trust. Based on the basis of the statement, this research is aimed at analyzing the rhetoric applied by management in the implementation of sustainability reporting and trying to provide answers to how and why entities disclose Corporate social responsibility information in these reports. As a communication tool, rhetoric created by entity management cannot be separated from semiotic factors because these semiotic factors can create language that is applied to communication. Based on the ontology above, this research was carried out in an interpretive paradigm and applied a semiotic approach, namely analyzing corporate social responsibility reporting from the perspective of the desired meaning of the use of symbols, words and sentences implemented to carry out good communication with the public and so that the public knows that the company is also has carried out responsibilities towards the natural environment and also towards society.

H3: The independent board can have a significant negative effect on the implementation of corporate social responsibility, moderated by Ability.

Research Model

Figure 1. Research Model



Source: Author (2023)

Research methods

The population of this research is entities that listed on the Indonesia Stock Exchange in the period 2017 to 2021. The purposive sampling method was used to determine research data. According toDana P. Turner (2020), the purposive sampling

method is a selection method that targets individuals with the desired characteristics to achieve a research result. The criteria for determining the research sample are described as follows, the first is the entity recorded on the IDX (www.idx.co.id.) in the 2017-2021 period, secondly, companies that have consistently disclosed financial reports and annual reports since 2017-2021, and thirdly, entities that have disclosed corporate social responsibility in their annual reports or published sustainability reports continuously from 2017-2021.

Research data is obtained from financial reports and annual reports published by each entity. The financial and annual reports in question are downloaded from www.idx.co.id. Based on its nature, the data used is included in the cross sectional and time series types or forecasting methods by analyzing the relationship patterns between variables that will be predicted using the time variable where sample data is taken from the 2017-2021 range for each company observed.

Research variable

Dependent Variable

Dependent or dependent variables can also be interpreted as research variables that are influenced by independent or independent variables. This research uses the dependent variable, namely Corporate Social Responsibility (CSR), which shows the entity's responsibility to all stakeholders in the company, both in economic, social and environmental terms, both internally and externally to the company. Corporate social responsibility is not just carrying out activities for the benefit of the company or dividends. However, with corporate social responsibility, companies can minimize negative consequences and maximize positive impacts on all stakeholders. The dependent variable corporate social responsibility in our study uses an analytical method to measure the reporting carried out by the entity regarding corporate social responsibility activities in its annual report. This analysis method will be carried out by collecting data and processing it into information that can be understood and is useful to help find the problem you want to look for in the problem formulation of this topic. And based on quantitative coding, we can lower the scale to allow further analysis.Milne & Adler (1999)The content analysis performed also depends on how important the issue is to the reporting entity. To make it easier to take, we can use a cotomous procedure where if a company enters the disclosed checklist then the number 1 will be given, otherwise if the company does not do so it will be given 0. Then to get the Corporate social responsibility (CSR) index the following formula is used to calculate the score ratio actual:

$$\mathrm{CSRI}_i = \frac{\sum_{t=1}^{nj} X_{ij}}{n_j}$$

CSRIIi =Corporate Social Responsibility Reporting Index for company i
Ni = Expected number of items for company i, where n≤24 and
Xij = 1 if the jth item is disclosed for company i and 0 otherwise.

Independent Variable

The independent variable is the x variable that influences the dependent variable. The independent variable used in this study is the independent board of

commissioners (DKI) or Independent Board. Independent commissioners are independent members of the board of commissioners who come from parties outside the entity who have no connection or connection with the company itself.(Ningtyas, 2014). The independent board of commissioners is shown as a percentage of the comparison between the total members of the independent commissioners and the total members of the board of commissioners in an entity(Ujiyantho & Agus Pramuka, 2007)The measurements of the independent board of commissioners are explained as follows.

$$Dewan\ Komisaris\ Independen = \frac{Jumlah\ Dewan\ Komisaris\ Independen}{Jumlah\ Anggota\ Dewan\ Komisaris}$$

Moderating Variable

A moderating variable is a variable that can determine whether the influence it has is strong or weak in the relationship between the dependent and independent variables. The moderating variables in this research include Stakeholder Power, Cost and Ability.

Stakeholder Power

*Stakeholder Power*are stakeholders in the company who have a role in participating in advancing the company, such as making important decisions and monitoring activities carried out by the company. stakeholder power (STAKE_POWER) is measured by the ratio of a company's long-term loans from banks to its total assets.

$$\text{take\_Power} = \sum Debt\ Ratio$$

Cost

*Cost*are costs incurred by companies or individuals within the company for output or production activities carried out by the company. the cost of monitoring lending institutions (COST) is proxied by the number of banks from which the company obtains funds

$$Cost = \sum Jumlah\ Bank$$

Abilities

*Abilities*is the bank's ability to collaborate with companies in managing or organizing and utilizing the resources they have to maximize the company's activities or productivity in seeking profits which is proxied by the length of each company's relationship with its main bank.

$$\text{Abilities} = \sum Tahun\ Kerjasama\ Bank$$

RESEARCH RESULTS AND DISCUSSION

Descriptive statistics

Methods related to the incorporation, presentation and arrangement of data in a summarized type of information so that it is easy for users to understand are called descriptive statistics. Descriptive statistical analysis aims to provide an overall illustration of the data from detailed variables including independent, control or dependent variables by presenting the total sample data, minimum, maximum, mean (average), standard deviation and variance.(Rahmawati, 2019). The results of descriptive statistics in this research can be found in the following table:

Table 2.*Descriptive Analysis Results*

	ABILITY	BI	COST	CSR	SP
Mean	26.57971	0.575786	4.518261	0.146526	1.978742
Median	27,00000	0.580000	5,000000	0.091000	2,000000
Maximum	52,00000	0.850000	6,000000	0.500000	3.900000
Minimum	2,000000	0.300000	3,000000	0.000000	0.060000
Std. Dev.	12.11476	0.162211	1.120637	0.129910	1.092922
Observations	3450	3450	3450	3450	3450

Source: Primary data processed (2022)

According to the descriptive analysis output above, maximum, minimum, median, mean and standard deviation values were adapted for all research variables.

First, namely the ability variable, the mean is 26,580, the median is 27.00, the maximum is 52.00, the minimum is 2.00 and the standard deviation is 12,115. A standard deviation value that is lower than the average value shows that the data used in this research is homogeneous.

Second, the BI variable obtained a mean of 0.576, a median of 0.580, a maximum of 0.850, a minimum of 0.300 and a standard deviation of 0.162. A standard deviation value that is smaller than the average value proves that the data used in this research is homogeneous.

Third, namely the cost variable, the mean value is 4.518, the median value is 5.00, the maximum value is 6.00, the minimum value is 3.00 and the standard deviation is 1.121. A standard deviation value that is lower than the average value proves that the data used in this research is homogeneous.

The CSR variable obtained a mean of 0.147, a median of 0.091, a maximum of 0.500, a minimum of 0.000 and a standard deviation of 0.130. A standard deviation value that is smaller than the average value proves that the data used in this research is homogeneous.

The SP variable obtained a mean value of 1.979, a median value of 2.00, a maximum value of 3.90, a minimum value of 0.060 and a standard deviation of 1.093. A standard deviation value that is lower than the average value proves that the data selected in this research is homogeneous.

Panel Data Regression Analysis

In panel data regression, there are 3 categories of approaches that can be applied, namely:(Falah et al., 2016)

***Common Effects Model*(CEM)**

*Common Effects Model*is a constant approach model that does not consider the dimension of time or objects which results in the assumption that there are no differences in the behavior of the data studied for each time period. The estimation technique used by this model is similar to the Ordinary Least Square (OLS) regression model.

Table 3.*Common Effects Model*

Dependent Variable: CSR
Method: Least Squares Panel
Date: 09/02/22 Time: 20:33
Sample: 2017 2021
Periods included: 5
Cross-sections included: 690

Total panel (balanced) observations: 3450

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.025303	0.007872	3.214405	0.0013
BI	0.210536	0.013159	15.99931	0.0000

R-squared	0.069109	Mean dependent var	0.146526
Adjusted R-squared	0.068839	SD dependent var	0.129910
SE of regression	0.125358	Akaike info criterion	-1.314700
Sum squared resid	54.18440	Schwarz criterion	-1.311137
Log likelihood	2269.858	Hannan-Quinn Criter.	-1.313428
F-statistic	255.9778	Durbin-Watson stat	1.571112
Prob(F-statistic)	0.000000		

Source: Primary data processed (2022)

Fixed Effect Model (FEM)

Fixed Effect Model is a model in panel data regression that states an error that there are differences between time dimensions and objects that have different effects on the model. This method uses an approach using intercepts between cross sections that have varying values but the slope of the regression coefficient between cross sections remains constant. Therefore, this approach is also called a fixed effect model.

Table 4. *Fixed Effect Model*

Dependent Variable: CSR
Method: Least Squares Panel
Date: 09/02/22 Time: 20:34
Sample: 2017 2021
Periods included: 5
Cross-sections included: 690
Total panel (balanced) observations: 3450

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.024938	0.007465	3.340750	0.0008
BI	0.211170	0.012480	16.92119	0.0000

Effects Specification
Period fixed (dummy variables)

R-squared	0.164958	Mean dependent var	0.146526
Adjusted R-squared	0.163746	SD dependent var	0.129910
SE of regression	0.118798	Akaike info criterion	-1.421042
Sum squared resid	48.60530	Schwarz criterion	-1.410353
Log likelihood	2457.297	Hannan-Quinn criter.	-1.417224
F-statistic	136.0687	Durbin-Watson stat	1.499353
Prob(F-statistic)	0.000000		

Source: Primary data processed (2022)

Random Effect Model (REM)

*Random Effect Model*is a model in panel data regression which assumes that regression errors are not correlated with each other in both the object dimension and the time dimension. The approach used is to include residual components from different parameters into the error. The goal is to improve estimation efficiency with OLS regression.

Table 5.*Random Effect Model*

Dependent Variable: CSR
Method: EGLS panel (Period random effects)
Date: 09/02/22 Time: 20:34
Sample: 2017 2021
Periods included: 5
Cross-sections included: 690
Total panel (balanced) observations: 3450
Swamy and Arora estimator of component variances

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.024941	0.024254	1.028300	0.3039
BI	0.211165	0.012480	16.92089	0.0000
	Effects Specification			
			elementary school	Rho
Period random			0.051602	0.1587
Idiosyncratic random			0.118798	0.8413
	Weighted Statistics			
R-squared	0.076692	Mean dependent var		0.012793
Adjusted R-squared	0.076424	SD dependent var		0.123598
SE of regression	0.118781	Sum squared resid		48.64783
F-statistic	286.3986	Durbin-Watson stat		1.499963
Prob(F-statistic)	0.000000			
	Unweighted Statistics			
R-squared	0.069108	Mean dependent var		0.146526
Sum squared resid	54.18443	Durbin-Watson stat		1.571736

Source: Primary data processed (2022)

Selection of the Best Model

The selection of the best model is done by comparing the criteria contained in the data. The criteria contained in the observation data can be determined using the Chow and Hausman test and the Langrange Multiplier test.

Test Chow

The Chow test is carried out to determine the appropriate regression model in panel data testing between the Common Effect Model (CEM) and the Fixed Effect Model (FEM)(Winarno, 2015)The hypothesis contained in the Chow test, namely

H0: Common Effect Model

H1: Fixed Effect Model

Hypothesis 0 in the Chow test proves that the best model determined is the Common Effect Model (CEM). However, hypothesis 1 shows that the Fixed Effect Model is the best model to be applied for further data testing. Testing is carried out when observing the statistical F value. If the value of the board of commissioners <0.05 until the best model chosen is the Fixed Effect Model (H1 is accepted) and vice versa. If the value of the board of commissioners is > 0.05 then the best model is the Common Effect Model (H0 is accepted).

Table 6. Test Chow

Redundant Fixed Effects Tests
Equation: MODEL_FEM
Test period fixed effects

Effects Test	Statistics	df	Prob.
Period F	98.828698	(4.3444)	0.0000
Period Chi-square	374.878118	4	0.0000

Period fixed effects test equation:
Dependent Variable: CSR
Method: Least Squares Panel
Date: 09/02/22 Time: 20:43
Sample: 2017 2021
Periods included: 5
Cross-sections included: 690
Total panel (balanced) observations: 3450

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.025303	0.007872	3.214405	0.0013
BI	0.210536	0.013159	15.99931	0.0000
R-squared	0.069109	Mean dependent var		0.146526
Adjusted R-squared	0.068839	SD dependent var		0.129910
SE of regression	0.125358	Akaike info criterion		-1.314700
Sum squared resid	54.18440	Schwarz criterion		-1.311137
Log likelihood	2269.858	Hannan-Quinn Criter.		-1.313428
F-statistic	255.9778	Durbin-Watson stat		1.571112
Prob(F-statistic)	0.000000			

Source: Primary data processed (2022)

From this table, the p-value for the chi-square cross-section is 0.000 < α = 0.05 so that H0 is rejected, which means the fixed effect model is better applied than the common effect model.

Hausman test

The Hausman test is carried out to determine the best model between the Fixed Effect Model (FEM) and the Random Effect Model (REM)(Winarno, 2015). The hypotheses contained in the Hausman test are:

H0: Random Effect Model

H1: Fixed Effect Model

Hypothesis 0 in the Hausman test shows that the best model to be applied is the Random Effect Model (REM). Meanwhile, hypothesis 1 shows that the Fixed Effect Model is the best model to be applied. Just like the Chow test, the Hausman test is also carried out by observing the statistical F value. If the value of the board of commissioners <0.05, then the best model determined is the Fixed Effect Model (H1 is accepted) and vice versa. If the value of the board of commissioners is > 0.05 then the best model is determined by the Random Effect Model (H0 is accepted).

Table 7.*Hausman test*

Correlated Random Effects - Hausman Test
Equation: MODEL_REM
Test period random effects

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Period random	0.013431	1	0.9077

Period random effects test comparisons:

Variables	Fixed	Random	Var(Diff.)	Prob.
BI	0.211170	0.211165	0.000000	0.9077

Period random effects test equation:
Dependent Variable: CSR
Method: Least Squares Panel
Date: 09/02/22 Time: 20:44
Sample: 2017 2021
Periods included: 5
Cross-sections included: 690
Total panel (balanced) observations: 3450

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.024938	0.007465	3.340750	0.0008
BI	0.211170	0.012480	16.92119	0.0000
	Effects Specification			
Period fixed (dummy variables)				

R-squared	0.164958	Mean dependent var	0.146526
Adjusted R-squared	0.163746	SD dependent var	0.129910
SE of regression	0.118798	Akaike info criterion	-1.421042
Sum squared resid	48.60530	Schwarz criterion	-1.410353
Log likelihood	2457.297	Hannan-Quinn Criter.	-1.417224
F-statistic	136.0687	Durbin-Watson stat	1.499353
Prob(F-statistic)	0.000000		

Source: Primary data processed (2022)

Based on the table above, it shows that the p-value in the chi-square cross-section is 0.764 > α = 0.05, which means that H0 is accepted, so the random effect model is better applied.

Lagrange Multiplier Test

The Lagrange Multiplier Test is a test to determine whether the model applied is common effect or random effect. This test was carried out with the following hypothesis:

H0: The CEM model is selected (prob > 0.05)

H1: The REM model is selected (prob < 0.05)

This LM test is based on the Breusch-Pagan probability, if the Breusch-Pagan probability value is less than the alpha value then Ho is rejected, which means that the appropriate estimate for panel data regression is the random effect model and vice versa.

Table 8.*Langrange Multiplier Test*

Lagrange Multiplier Tests for Random Effects
Null hypothesis: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis Cross-section	Time	Both
Breusch-Pagan	171.2551 (0.0000)	12283.68 (0.0000)	12454.93 (0.0000)
Honda	13.08645 (0.0000)	110.8318 (0.0000)	87.62340 (0.0000)
King-Wu	13.08645 (0.0000)	110.8318 (0.0000)	111.5057 (0.0000)
Standardized Honda	13.12732 (0.0000)	124.2586 (0.0000)	76.64513 (0.0000)
Standardized King-Wu	13.12732 (0.0000)	124.2586 (0.0000)	121.5741 (0.0000)

Gourierioux, et al.*	--	--	12454.93 (< 0.01)

*Mixed chi-square asymptotic critical values:	
1%	7,289
5%	4,321
10%	2,952

Source: Primary data processed (2022)

Based on the table above, it proves that the Breusch-Pagan (Both) p-value is 0.000 < α = 0.05, which means that H0 is rejected, so the random effect model is better to apply. Based on the three model tests that have been carried out, the best model that will be used in this research is the random effect model.

Hypothesis Test Results

Interpretation of Panel Data Multiple Regression Models

Based on the three model tests that have been carried out, the best model that will be used in this research is the random effect model, so the interpretation of the random effect model is:

Coefficient of Determination Test Results

According toRahmawati (2019), test the coefficient of determination (R2) or goodness

*of fit*shows the performance of independent variables in explaining the dependent variable in a regression model, whether there is a suitability and definite relationship with each other. The coefficient of determination (R2) shows that the stronger the linear regression model used as a prediction tool. The results of the coefficient of determination test in this research can be found in this table:

Table 9.*Coefficient of Determination Test Results*

Weighted Statistics

R-squared	0.076692	Mean dependent var	0.012793
Adjusted R-squared	0.076424	SD dependent var	0.123598
SE of regression	0.118781	Sum squared resid	48.64783
F-statistic	286.3986	Durbin-Watson stat	1.499963
Prob(F-statistic)	0.000000		

Source: Primary data processed (2022)

According to the output of the random effect model table, R2 is 0.077 (7.7%). So it can be concluded that the CSR variable (Y) can be explained by the Independent Board variable (X1) worth 0.097 (9.7%), and the rest is influenced by other variables outside the model.

Partial Significance Test Results (t Test)

Hypothesis testing or t testing is implemented to determine the level of significance of the impact of each independent variable on the dependent variable in a research model(Gujarati et al., 2012). The t test shows whether the relationship between variables in the model is strong or weak.

Table 10.*Partially Significant Test Results (t Test)*

Variables	Coefficient	Std. Error	t-Statistics	Prob.

C	0.024941	0.024254	1.028300	0.3039
BI	0.211165	0.012480	16.92089	0.0000

Source: Primary data processed (2022)

The conclusion from the test results above, namely intermediate impact testing*Independent Board*(X1) on CSR (Y) obtained a coefficient of 0.211 with a significance of 0.000, because the significance value is <0.05 so there is an important impact between the Independent Board (X1) on CSR (Y). The resulting regression coefficient is positive, indicating that the relationship between the two is positive. This means that the higher the Independent Board (X1), the higher the CSR (Y), and vice versa.

Regression Analysis with Independent Board Variables (X1) and Stake Holder Power Moderation

Multiple regression analysis was carried out to determine the impact between the Independent Board variable (X1) and Stake Holder Power Moderation on the CSR variable (Y). The following are the results of multiple linear regression:

4.4.2.1 Partial Significance Test Results (t Test)

*Outputs*Partial significance test or t test on the independent board variable (x1) and stake holder power moderation can be found in the following table:

Table 11.*Significant Test Results for Individual Parameters (t Statistical Test)*

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.000789	0.028957	0.027251	0.9783
BI	0.160076	0.012625	12.67970	0.0000
SP	0.027072	0.001874	14.44945	0.0000

Source: Primary data processed, 2022

From the output of this t test, all variables obtained a significance value of 0.000 (α < 0.05). So the conclusion is that variables*Independent Board*(X1) and Moderation of Stake Holder Power partially have an important positive impact on the CSR variable (Y).

Multiple Regression Analysis with Independent Board Variables (X1), Stake Holder Power Moderation, and Interaction (Moderation1)

Multiple regression analysis was carried out to determine the impact of the Independent Board variables (X1), Stake Holder Power Moderation, and Interaction (Moderation1) on the CSR variable (Y). The following are the results of multiple linear regression:

Simultaneous significance test results (F Test)

*Outputs*The simultaneous significance test or f test on this model can be found in the following table:

Table 12.*Simultaneous Significance Test (F Test)*

Weighted Statistics

R-squared	0.124146	Mean dependent var	0.102329

Adjusted R-squared	0.123384	SD dependent var	0.126691
SE of regression	0.118618	Sum squared resid	48.48579
F-statistic	162.8153	Durbin-Watson stat	1.656259
Prob(F-statistic)	0.000000		
	Unweighted Statistics		
R-squared	0.117533	Mean dependent var	0.146526
Sum squared resid	51.36578	Durbin-Watson stat	1.689837

Source: Primary data processed (2022)

According to the F Test output, a significance value of 0.000 was obtained (α < 0.05). So it can be concluded that the variable *Independent Board* (X1), Moderation of Stake Holder Power, and Interaction (Moderation1) together have an important influence on the CSR variable (Y).

Partial significance test results (t test)

Outputs The partial significance test or t test on this model can be found in the following table:

Table 13. *Significant Individual Parameter Test (t Statistical Test)*

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.021017	0.011956	-1.757958	0.0788
BI	0.201812	0.021461	9.403818	0.0000
SP	0.040016	0.005729	6.985207	0.0000
BISP	-0.024235	0.010070	-2.406818	0.0161

Source: Primary data processed (2022)

From the test output above, the following conclusions can be drawn, first testing the intermediate impact *Independent Board* (X1) on CSR (Y) obtained a coefficient of 0.201 with a significance of 0.000, because the significance value is <0.05, there is an important impact between the Independent Board (X1) on CSR (Y). Considering that the resulting regression coefficient is positive, it shows that the relationship between the two is positive. This means that an increase in the Independent Board (X1) will cause an increase in CSR (Y), and vice versa. Second, testing the impact of Stake Holder Power Moderation on CSR (Y), obtained a coefficient of 0.040 with a significance value of 0.000, because the significance value is <0.05, there is an important impact between Stake Holder Power Moderation on CSR (Y). Considering that the resulting regression coefficient is positive, it shows that the relationship between the two is positive. This means that an increase in Stake Holder Power Moderation results in an increase in CSR (Y), and vice versa. Third, namely testing the

effect between Interaction (Moderation1) on CSR (Y), obtained a coefficient of -0.024 with a significance value of 0.016, because the significance value is <0.05, there is a significant impact between Interaction (Moderation1) on CSR (Y). The interaction coefficient shows negative results. So it can be said that the Stake Holder Power Moderation variable weakens the positive influence of the Independent Board (X1) on CSR (Y). Considering that the Moderation of Stake Holder Power and Interaction (Moderation1) is significant, it is said that the Moderation of Stake Holder Power variable is a Quasi Moderation (Quasi Moderator). This means that Stake Holder Power Moderation is a variable that moderates the relationship between the Independent Board variable (X1) and the CSR variable (Y) which is also an independent variable.

Coefficient of Determination Test

The coefficient of determination (R2) is applied to determine the magnitude the value of contribution or impact between independent variables, namely*Independent Board*(X1), Stake Holder Power Moderation, and Interaction (Moderation1) on the dependent variable, namely the CSR variable (Y). The coefficient of determination (R2) value is:

Table 14.*Coefficient of Determination Test*

Weighted Statistics			
R-squared	0.124146	Mean dependent var	0.102329
Adjusted R-squared	0.123384	SD dependent var	0.126691
SE of regression	0.118618	Sum squared resid	48.48579
F-statistic	162.8153	Durbin-Watson stat	1.656259
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.117533	Mean dependent var	0.146526
Sum squared resid	51.36578	Durbin-Watson stat	1.689837

Source: Primary data processed (2022)

The table above is the output part of the multiple linear regression test which can be described as Determination Coefficient Analysis (R2). This analysis is applied as a measure of the magnitude of the impact of the Independent Board (X1), Stake Holder Power Moderation, and Interaction (Moderation1) on the dependent variable, namely the CSR variable (Y). The table proves that the R Square (R2) value is 0.124 which can be concluded that the Independent Board (X1), Stake Holder Power Moderation, and Interaction (Moderation1), have an impact worth 12.4% while the remaining 87.6% is influenced by other variables that are not researched by the author.

Regression Analysis with Independent Board Variable (X1) and Cost Moderation of the CSR variable (Y).

The following are the results of multiple linear regression:

Partial Significant Test (T Statistical Test)

*Outputs*The partial significance test or t test on this model can be found in the following table:

Table 15.*Partial Significant Test (t Statistical Test)*

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.044244	0.029860	-1.481698	0.1385
BI	0.164295	0.012927	12.70913	0.0000
COST	0.021285	0.001871	11.37637	0.0000

Source: Primary data processed (2022)

From the output of the t test, all variables obtained a significance value of 0.000 (α < 0.05). So the conclusion is variable*Independent Board*(X1) and Cost Moderation partially have a significant positive impact on the CSR variable (Y).

Multiple Regression Analysis with Independent Board Variables (X1), Cost Moderation, and Interaction (Moderation2)

Multiple regression analysis was carried out to determine the impact of the Independent Board (X1), Cost Moderation and Interaction (Moderation2) variables on the CSR variable (Y). The following are the results of multiple linear regression:

Simultaneous Significance Test Results (F Test)

*Outputs*The simultaneous significance test or f test on this model can be found in the following table:

Table 16.*Simultaneous Significance Test (F Test)*

Weighted Statistics			
R-squared	0.108993	Mean dependent var	0.072180
Adjusted R-squared	0.108218	SD dependent var	0.125122
SE of regression	0.118158	Sum squared resid	48.11047
F-statistic	140.5121	Durbin-Watson stat	1.593414
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.100806	Mean dependent var	0.146526
Sum squared resid	52.33938	Durbin-Watson stat	1.640787

Source: Primary data processed, 2022

From the results of the F test, a significance value of 0.000 was obtained (α < 0.05). Therefore it is concluded that the variable*Independent Board*(X1), Cost Moderation, and Interaction (Moderation2) together have a significant influence on the CSR variable (Y).

Partially Significant Test Results (t Statistical Test)

*Outputs*The partial significance test or t test on this model can be seen in the following table:

Table 17.*Significant Individual Parameter Test (t Statistical Test)*

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.090131	0.020542	-4.387636	0.0000
BI	0.254989	0.037538	6.792902	0.0000
COST	0.032410	0.004710	6.881003	0.0000
BICOST	-0.021556	0.008365	-2.577080	0.0100

Source: Primary data processed (2022)

From the test output above, the first conclusion that can be drawn is the intermediate impact test*Independent Board*(X1) on CSR (Y) obtained a coefficient of 0.255 with a significance of 0.000, because the significance value is <0.05, there is an important impact between the Independent Board (X1) on CSR (Y). The resulting regression coefficient is positive, indicating that the relationship between the two is positive. This means that an increase in the Independent Board (X1) will cause an increase in CSR (Y), and vice versa. Second, testing the impact of Cost Moderation on CSR (Y), obtained a coefficient of 0.032 with a significance value of 0.000, because the significance value is <0.05, there is an important impact between Cost Moderation on CSR (Y). The resulting regression coefficient is positive, indicating that the relationship between the two is positive. This means that an increase in Cost Moderation results in an increase in CSR (Y), and vice versa. And the third test of the influence between Interaction (Moderation2) on CSR (Y) obtained a coefficient of -0.022 with a significance value of 0.010, because the significance value is <0.05, there is a significant impact between Interaction (Moderation2) on CSR (Y). The interaction coefficient shows negative results. So it can be said that the Cost Moderation variable weakens the positive influence of the Independent Board (X1) on CSR (Y). Considering that the Moderation of Cost and Interaction (Moderation2) is significant, it is said that the Cost variable is a Quasi Moderation (Quasi Moderator). This means that Cost is a variable that moderates the relationship between the Independent Board variable (X1) and the CSR variable (Y) which simultaneously becomes an independent variable.

Coefficient of Determination Test Results

The coefficient of determination (R2) is applied to determine the magnitude of the contribution or impact between independent variables, namely*Independent Board*(X1), Cost Moderation, and Interaction (Moderation2) on the dependent variable, namely the CSR variable (Y). The value of the coefficient of determination (R2), namely:

Table 18.*Coefficient of Determination Test*

Weighted Statistics

R-squared	0.108993	Mean dependent var	0.072180
Adjusted R-squared	0.108218	SD dependent var	0.125122
SE of regression	0.118158	Sum squared resid	48.11047
F-statistic	140.5121	Durbin-Watson stat	1.593414
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.100806	Mean dependent var	0.146526
Sum squared resid	52.33938	Durbin-Watson stat	1.640787

Source: Primary data processed (2022)

This table is the output part of the multiple linear regression test or Determination Coefficient Analysis (R2). This analysis is applied as a measure of the magnitude of the impact of the Independent Board (X1), Cost Moderation, and Interaction (Moderation2) on the dependent variable, namely the CSR variable (Y). The table proves that R Square (R2) is 0.109, from which it can be concluded that the Independent Board (X1), Cost Moderation and Interaction (Moderation2) have an impact of 10.9% and the remaining 89.1% is influenced by other variables not researched by the author.

Regression Analysis with Independent Board Variables (X1) and Ability Moderation

Multiple regression analysis was carried out to determine the impact of the Independent Board variable (X1) and Ability Moderation on the CSR variable (Y). The following are the results of multiple linear regression:

Significant Individual Parameter Test (t Statistical Test)

The results of the significant individual parameter test or t test in this model can be found in the following table:

Table 19.*Significant Individual Parameter Test (t Statistical Test)*

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.007615	0.025154	-0.302737	0.7621
BI	0.162571	0.012703	12.79780	0.0000
ABILITY	0.002277	0.000171	13.35175	0.0000

Source: Primary data processed (2022)

From the output of this t test, all variables obtained a significance value of 0.000 (α < 0.05). The conclusion is variable*Independent Board*(X1) and Ability Moderation partially have a significant positive influence on the CSR variable (Y).

Multiple Regression Analysis with Independent Board Variables (X1), Ability Moderation, and Interaction (Moderation3)

Multiple regression analysis was carried out to determine the impact of the variables Independent Board (X1), Moderation Ability, and Interaction (Moderation3) on the CSR variable (Y). The following are the results of multiple linear regression:

Simultaneous Significance Test (F Test)

*Outputs*The simultaneous significance test or f test on this model can be found in the following table:

Table 20.*Simultaneous Significance Test (F Test)*

R-squared	0.125512	Mean dependent var	0.011186
Adjusted R-squared	0.124751	SD dependent var	0.123586
SE of regression	0.115621	Sum squared resid	46.06684

F-statistic	164.8640	Durbin-Watson stat	1.515509
Prob(F-statistic)	0.000000		
	Unweighted Statistics		
R-squared	0.117958	Mean dependent var	0.146526
Sum squared resid	51.34105	Durbin-Watson stat	1.595820

Source: Primary data processed (2022)

According to the F Test output, a significance value of 0.000 was obtained (α < 0.05). So it can be concluded as a variable*Independent Board*(X1), Ability Moderation, and Interaction (Moderation3) together have an important impact on the CSR variable (Y).

Significant Individual Parameter Test (t Statistical Test)

The results of the partial significance test or t test on this model can be found in the following table:

Table 21.*Significant Individual Parameter Test (t Statistical Test)*

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.048902	0.029118	-1.679435	0.0932
BI	0.240977	0.024933	9.665177	0.0000
ABILITY	0.004043	0.000512	7.888839	0.0000
BIABILITY	-0.003283	0.000899	-3.652222	0.0003

Source: Primary data processed (2022)

From the test results above, the first conclusion is the intermediate impact test*Independent Board*(X1) on CSR (Y) obtained a coefficient of 0.249 with a significance value of 0.000, because the significance value is <0.05, there is an important impact between the Independent Board (X1) on CSR (Y). Because the resulting regression coefficient is positive, it shows that the relationship between the two is positive. This means that an increase in the Independent Board (X1) will cause an increase in CSR (Y), and vice versa. Second, testing the influence of Ability Moderation on CSR (Y), obtained a coefficient of 0.0004 with a significance value of 0.000, because the significance value is <0.05, there is an important impact between Ability Moderation on CSR (Y). Considering that the resulting regression coefficient is positive, it shows that the relationship between the two is positive. This means that an increase in Ability Moderation results in an increase in CSR (Y), and vice versa. Third, namely testing the influence between Interaction (Moderation3) on CSR (Y), obtained a coefficient of -0.003 with a significance value of 0.000, because the significance value is <0.05, there is an important impact between Interaction (Moderation3) on CSR (Y). The interaction coefficient shows negative results. So it can be said that the Ability Moderation variable weakens the positive influence of the Independent Board (X1) on CSR (Y). Considering that the Moderation of Ability and Interaction (Moderation3) is significant, it is said that the Ability variable is a Quasi Moderation (Quasi Moderator). This means that Ability is a variable that moderates the relationship between the Independent Board variable (X1) and the CSR variable (Y) which is also an independent variable.

Coefficient of Determination Test

The coefficient of determination (R2) is applied to determine the magnitude of the contribution or impact between independent variables, namely *Independent Board*(X1), Ability Moderation, and Interaction (Moderation3) on the dependent variable, namely the CSR variable (Y). The coefficient of determination (R2) value is:

Table 22. *Coefficient of Determination Test*

Weighted Statistics			
R-squared	0.125512	Mean dependent var	0.011186
Adjusted R-squared	0.124751	SD dependent var	0.123586
SE of regression	0.115621	Sum squared resid	46.06684
F-statistic	164.8640	Durbin-Watson stat	1.515509
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.117958	Mean dependent var	0.146526
Sum squared resid	51.34105	Durbin-Watson stat	1.595820

Source: Primary data processed (2022)

The table above is the output part of the multiple linear regression test or Determination Coefficient Analysis (R2). This analysis is applied as a measure of the magnitude of the impact of the Independent Board (X1), Ability Moderation, and Interaction (Moderation3) on the dependent variable, namely the CSR variable (Y). The table above proves that the R Square (R2) value is 0.126 which can be concluded that the Independent Board (X1), Moderating Ability, and Interaction (Moderation3), have an impact of 12.6% and the remaining 87.4% is influenced by other variables not researched by the author.

Discussion

The Influence of Stake Holder Power Moderating the Independent Board in the Implementation of Reporting *Corporate Social Responsibility*

Agency theory defines that if information asymmetry exists in an organization because managers have more data than investors, it can be reduced by protecting managerial concealment and distortion by an active board. Board oversight and transparency through disclosure are two systems that have the potential to reduce problems of aggression and asymmetric information while reducing agency costs. An independent board of commissioners is needed to monitor management more closely and encourage data transparency.

If the commissioner has an independent spirit, then the decisions created by the entity will have an objective spirit(Anggraeni, 2020). According toPrincess (2013)by showing that the scale of the board of independent commissioners has a positive impact on CSR. The board of independent commissioners can prove that the more the total number of independent commissioners of an entity, the wider the opportunity for disclosure carried out by the entity. By conducting this research, the scale of the board of independent commissioners has a positive impact on CSR by showing that the size of the independent board of commissioners has a positive impact on CSR disclosure. According toRichard (2013)that the support of the company's board of

commissioners in implementing CSR has had a significant positive impact on CSR activities.

This research supports this theory because it was found that in testing the impact between Interaction (Moderation1) on CSR (Y), a coefficient of -0.024 was obtained with a significance value of 0.016, because the significance value was <0.05, there was an important impact between Interaction (Moderation1) on CSR (Y). The interaction coefficient shows negative results. So it can be said that the Stake Holder Power Moderation variable weakens the positive influence of the Independent Board (X1) on CSR (Y). Considering that the Moderation of Stake Holder Power and Interaction (Moderation1) is significant, it is said that the Moderation of Stake Holder Power variable is a Quasi Moderation (Quasi Moderator). This means that Stake Holder Power Moderation is a variable that moderates the relationship between the Independent Board variable (X1) and the CSR variable (Y) which is also an independent variable.

One example is that the smooth running of social responsibility activities will be smooth because the stakeholders encourage and provide support for the board of commissioners to make decisions and supervise them well so as to produce the best social responsibility activities for all parties. At this time in Indonesia, entities are starting to move to implement CSR with the aim of creating ties with the community and stakeholders(Yu & Choi, 2016). According toNishitani et al., (2017)This corporate social responsibility is implemented to respond to increasing environmental performance as well as pressure from environmental regulations. Apart from that, corporate social responsibility can also support efforts to respond to stakeholders(Hamann & Kapelus, 2004). In relation to corporate social responsibility and the environment, stakeholders hope that corporate social responsibility practices will be implemented by industry, especially the mining sector, which produces negative consequences because of its activities on the surrounding environment and society.(McDonald & Young, 2012).

The Moderating Effect of Cost on the Independent Board in the Implementation of Reporting*Corporate Social Responsibility*

Based on International Standard ISO 26000 (2010) inYudharma et al., (2016)CSR is the responsibility of an entity as a result of social and environmental decisions and activities, through transparent and moral behavior that produces a role for the continuation of development, health and welfare of society; consider stakeholder expectations; based on existing laws and stability with international behavioral values and connected to all organizations and practiced in relationships. Understanding Corporate social responsibility with 3P namely people, profit, planet. This design contains the understanding that business creates peace for other humans (people), not only seeking profit, but also ensuring the survival of the earth (planet).(Nugroho & Yulianto, 2015)

When carrying out environmental management to overcome the impacts that arise, the entity will of course allocate environmental burdens. However, the entity feels that this environmental burden is only an additional expense for the entity. Another viewpoint of the entity assumes that the environmental budget will simply be a profit-reducing account for the entity. In fact, as long as there is a budget allocation to manage the environment, it proves the stability of attention to the environment

carried out by the entity thereby creating public confidence in the company's social responsibility. The environmental budget is also known as long-term capital, because the expenditure can generate a good name for the entity, so it can increase stakeholder confidence. interest in the entity(Meiyana & Aisyah, 2019).

In this research, it was found that in testing the influence between Interaction (Moderation2) on CSR (Y), a coefficient value of -0.022 was obtained with a significance value of 0.010, because the significance value was <0.05, an important impact was created between Interaction (Moderation2) on CSR (Y). The interaction coefficient shows negative results. So it can be said that the Cost Moderation variable weakens the positive influence of the Independent Board (X1) on CSR (Y). Considering that the Moderation of Cost and Interaction (Moderation2) is significant, it is said that the Cost variable is a Quasi Moderation (Quasi Moderator). This means that Cost is the variable that moderates the relationship between the Independent Board variable (X1) and the CSR variable (Y) which simultaneously becomes an independent variable.

Corporate social responsibility costs of course reduce the profits obtained by the entity, but in fact Corporate social responsibility costs have the capacity to increase income whose value can be higher than CSR costs and increase profit income. When an entity discloses costs for corporate social responsibility, the entity will provide information about the entity's good prospects to stakeholders(Yudharma et al., 2016).

The Moderating Effect of Ability on Independent Boards on Reporting Implementation*Corporate Social Responsibility*

The number of independent board of commissioners is measured by the percentage of the total board of commissioners who come from outside the entity (external) who do not have business or family connections with the entity of each issuer in accordance with the provisions regulated in the IDX, which is equivalent to minority share ownership or consisting of at least 30% of the total members of the board of commissioners. Increasing the number of independent boards in a company will cause corporate social responsibility disclosure to increase according to Ratnasari (2010), and Chandra (2012), but according to other research results by Putri (2013), Sari (2014), Sabrina & Felipta (2016), they report that the proportion The independent board does not have an impact on the disclosure of the proportion between independent boards on corporate social responsibility carried out by the company.

In this research, it was found that in testing the influence between Interaction (Moderation3) on CSR (Y), a coefficient value of -0.003 was obtained with a significance value of 0.000, because the significance value was <0.05, it had an important impact between Interaction (Moderation3) on CSR (Y). The interaction coefficient shows negative results. So it can be said that the Ability Moderation variable weakens the positive influence of the Independent Board (X1) on CSR (Y). Considering that the Moderation of Ability and Interaction (Moderation3) is significant, it is said that the Ability variable is a Quasi Moderation (Quasi Moderator). This means that Ability is a variable that moderates the relationship between the Independent Board variable (X1) and the CSR variable (Y) which is also an independent variable.

Usually*Corporate social responsibility*Disclosure is often referred to as corporate social responsibility reporting. In this reporting there will be photos, graphs, narrative text and tables, which contain explanations regarding the implementation of the entity's sustainability. This sustainability reporting was designed by management using

a rhetorical story to describe the user's company image (imaging) through the use of narrative notes.

Through this narrative text, companies can actively try to create a positive image and minimize negative images(Gardner & Martinko, 1988). The steps taken by an entity to convey records through sustainability reporting are a communication strategy for the entity to build public confidence or gain public confidence. Based on the basic opinion above, this research is intended to analyze the rhetoric applied by management in implementing sustainability reporting and try to answer questions about how and why an entity discloses Corporate social responsibility information in the report. As a communication tool, rhetoric created by entity management cannot be separated from semiotic factors because these semiotic factors can build the language implemented in communication. Based on the ontology guidelines above, this research was carried out in an interpretive paradigm and applied a semiotic approach, namely analyzing Corporate social responsibility reporting from the perspective of the desired meaning of the use of sentences, symbols and words applied in carrying out good communication with the public and so that the public knows that The company has also carried out its responsibilities towards the natural environment and also towards society.

CONCLUSIONS AND RECOMMENDATIONS

Based on the test results and analysis of research data, the author came to the conclusion, namely,The stakeholder power moderating variable which moderates the independent board of commissioners on corporate social responsibility reporting has a significant negative relationship because it is increasingthe ratio of a company's long-term loans from banks to its total assets, the more the board of commissioners will consider implementation*corporate social responsibility.*The cost moderating variable that moderates the independent board of commissioners on corporate social responsibility reporting has a significant negative relationship because it is increasingThe more banks the company obtains funds from, the more the board of commissioners will consider implementation*corporate social responsibility.*The moderating variable ability which moderates the independent board of commissioners on corporate social responsibility reporting has a significant negative relationship because it increasesThe longer the relationship between each company and its main bank, the more the board of commissioners will consider implementation*corporate social responsibility.*

The result was that all moderation variables received a significantly negative response, this means that the existence of an independent board of commissioners which is moderated by stakeholder power, cost and ability does not play an optimal role in the monitoring and formation function of corporate social responsibility activities.Based on the conclusions and limitations of the research above, the author's suggestion is that hopefully in the future researchers can encourage the company's independent board of commissioners to carry out activities*corporate social responsibility* and supporting "17 CSR Global Goals" so that one of them can advance the country's economy.

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