An Inherent Ambiguity of CSR Disclosure Concept: Evidence from IPO Prospectuses of Indonesian Listed Companies

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Abstract--The purposes of this study are to explore the conceptual definitions of Corporate Social Responsibility (CSR), review the common practice of CSR disclosure and examine whether Indonesian companies have fully adopted the correct disclosure practice of CSR in their Initial Public Offering (IPO) prospectuses. 162 prospectuses, which are all prospectuses issued from 2012 to 2018, were selected as sample of the study. The study period was chosen as the International Financial Reporting Standard (IFRS) was first implemented in Indonesia in 2012. Research data from the prospectuses was collected using content analysis employing theme-based coding. Descriptive statistics and multiple regression analysis were among the tests performed. Research findings are: Existing researchers show diverse definition of CSR but they seem to agree that CSR encompasses aspects such as Environmental, Social and Governance factors as suggested by the Global Reporting Initiative (GRI), thus, recent CSR disclosure practices have adopted the GRI guidelines. The disclosure practices adopted by Indonesian companies, therefore, are still ambiguous, not only they do not follow the GRI guidelines but also they do not have any guidelines of CRS factors to follow, consequently the level of disclosure and the number of disclosed factors varies greatly from one company to another. Among the CRS factors, which are currently disclosed by the company, they are positively associated with company size and profit. These results are robust to alternative specifications.

Keywords-- corporate social responsibility; Initial public offering; Global reporting initiative; CSR disclosure practice

I. INTRODUCTION

The concept of Corporate Social Responsibility (CSR) is spanning back to the 1940s and beyond (Carroll, 1999), which can be referenced to three writers in the late 1930s (Chester, 1938; Clark, 1939; Kreps, 1962). However, Bowen (1953) was recognized as the first author who used the term Corporate Responsibility of a Business, thus, he has been credited as the father of CSR (Carroll, 1999; Centre for Ethical Business Culture, 2005; Gray, Kouhy, & Lavers, 1995; Madrakhimova, 2013; Miranda & Zaidi, 2012; Siregar & Bachtiar, 2010).

Since its inception, CSR has grown quite impressively in the course of history. Carroll (1999) classified this evolution into two main phases of CSR development in the era before the 1950s, which received little attention from researchers and an era that began in the 1950s, which the later referred to as the modern era of CSR, that have received significant attention from researchers, practitioners and regulators.

The significant developments in the modern era of CSR can be seen in regulatory initiatives, professional practice and research. In regulations, there are several efforts made by international organizations that endorse CSR, including the United Nations Global Compact, OECD and GRI. The UN Global Compact is one of the largest initiatives for CSR that calls, and provides guidance, for global companies to voluntarily operate sustainably. The Office of Economic Development and Culture (OECD) encourage each government to provide policies to their multinational companies to support sustainable development. The Global Reporting Initiative provides guidelines to global companies on how to disclose CSR factors. A detailed description of these three global initiatives can be seen in Chou (2014). There are also several other globally recognized initiatives such as the United Nations Principle of Responsible Investment (UNPRI), Carbon Disclosure Projects, and individual state and country level initiatives. Details descriptions of these initiatives can be seen in Zuraida (2015).

In professional practice, discussions surrounding CSR (and its interchangeable terms such as sustainability) have been about integrating CSR into business strategies for competitive advantage and ultimately, economic consequences. Therefore, the company has put emphasize on CSR reporting. Companies have used CSR reporting as a communication tool to express their CSR efforts and meet investor demand for information about CSR.

The company has used several channels for CRS reporting as in its annual report, in stand-alone CRS reports, on the company's website and in the company's initial public offering (IPO) prospectus. However, CRS reporting is a voluntary effort by companies. Although some countries have mandated a certain level of disclosure, but research suggests that in most countries, the
items to be disclosed in CSR reports still vary in various companies, industries and even throughout the country. As a result, the level of disclosure between companies, countries, and disclosure channels varies.

Likewise, in Indonesia, disclosure of CSR activities by companies is common; however, the level of disclosure also varies between companies and industries. For example, Mirfazli (2008) found that Indonesian companies disclose labor factors over 50% percent, while other factors such as customers, environmental and community received less attention. Therefore, it is uncertain whether the company has consulted with the available guidelines in identifying CSR factors to disclose.

Our preliminary observations on the Indonesian IPO prospectus show that IPO companies have disclosed a certain level of CSR, however, the level of disclosure is still patchy on selected items of CSR as listed in the Global Reporting Initiative. This disclosure practice indicates a vague understanding of what constitutes CSR. When we delved the IPO requirements from the Financial Services Authority of Indonesia (OJK), the document specifies the requirements for IPO companies to disclose CSR in their prospectuses, however, there is no guidance given on what factors should be disclosed, this phenomena raises a research question, have the IPO companies fully grasped what constitutes CSR?

The purposes of this study are, therefore, to explore the conceptual definitions of CSR; review the common practice of CSR disclosure; and examine whether Indonesian companies have fully adopted the relevant disclosure practice of CSR in their Initial Public Offering (IPO) prospectuses. We use 162 prospectuses, which are all prospectuses issued from 2012 to 2018 in our investigation. The study period was chosen as the International Financial Reporting Standard (IFRS) was first implemented in Indonesia in 2012. We use content analysis to obtain research data from the prospectuses by employing a theme-based coding. The data then analyzed using Stata IC 15 to perform descriptive statistics and multiple regression analysis.

We found that existing researchers proposed various definitions of CSR but they seem to agree that CSR encompasses aspects such as Environmental, Social and Governance (ESG) factors. We also found that the disclosure practices adopted by Indonesian companies, in particular in the IPO prospectuses, are still ambiguous. The study also found that disclosure of CSR by Indonesia IPO companies is positively related to company size and profits.

The remainder of this paper is presented as follows. Section 2 presents the definition of CSR. Section 3 discusses the common practice of CSR disclosure. Section 4 describes the research method. Section 5 presents the results and discussions of the results. Section 6 concludes the research findings.

II.DEFINITIONS OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

The term CSR is introduced by Bowen (1953) and he defined CSR as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” as cited in Carroll (1999). This definition invited polemics and then the view is overturned for sometime by the popularity of Milton's freeman’s concept of social responsibility of a business as described in Friedman (1962) as quoted in Russo and Perrini (2010). However, the debate about CSR continues gradually, after which various definitions of CSR emerged and the discussions accelerated in the literature in the past few decades.

Carroll (1999) classified the modern era of CSR into five phases of the construction of the definition of CSR: phases in the 1950s; 1960s 1970s; 1980s and 1990s. He claimed that the significant number of CSR definition constructs occurred in the first three eras, in the 1950s until the 1970s. The number of definitions offered in literature began to develop in the 1950s to 1960s and continued to increase in the 1970s, illustrating the rapid development of CSR in these three periods. While in the 1980s it seemed that the CSR concept had begun to gain public acceptance, even though, the number of studies in this field continued to increase, the number of definitions offered by new writers relatively declined. In the 1990s, a number of CSR related concepts such as Corporate Social Performance (CSP) began to mature, thus the authors began to introduce alternative concepts inspired by a CSR perspective. This latter conversation phase about CSR focuses on what constitutes CSR and how to report CSR. Detail description of this development can be seen in Carroll (1999) and alternative descriptions are listed in Bhaduri and Selarka (2016).

Bhaduri and Selarka (2016) credited Carroll (1979) which later revisited in Carroll (1999) as an important contributor in the classification of the development of the concept of CSR, which includes four components of CSR activities namely, economic, legal, ethical, and philanthropic1 (see Figure 1). The figure shows that the economic responsibility of a business is the basis for all activities, which means, the bottom line of a business is important, therefore, companies are responsible to use their resources to generate profits. However, companies are expected to do good to the society by operating within the framework of legal, ethical and environmental requirements (Carroll, 1999).

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1 In Carroll (1979) framework, he proposed voluntary action by companies in performing CSR activities, however in Carroll (1991), he refined this discretionary component and replaced it with “Philanthropic”.
Another study that reviewed the definition of CSR in the existing literature was conducted by Dahlsrud (2008) on 27 articles published between 1980 and 2003, he classified the definition of CSR into five dimensions: Environmental, social, economic, stakeholder, and voluntary dimensions. The environmental dimension refers to natural environment factors such as a cleaner environment; Social dimension is about the relationship between business and society; Economic dimension is the economic aspect of business such as business profitability; Stakeholder dimension focuses on corporate interactions with stakeholders; and volunteerism refers to CSR activities carried out by the company voluntarily without legal prescriptions.

Carroll (1999) and Dahlsrud (2008) have provided a good guide on what constitutes CSR, however, several authors still refer to a split view of CSR definitions. For example, Mirfazli (2008) states that CSR can be defined in a limited and broader concept. In a limited concept, CSR is defined in the Friedman (1962) concept of CSR, which is to use all company resources to generate profits that will add value to the company's shareholders. This definition indicates that companies do not need to use their resources for social activities. However, even within the framework of the theory of shareholders, Milton Friedman also suggested to do business in accordance with the "rules of the game", which adhere other’s rights therefore no cheating and deceiving is permitted.

In a broader context, CSR is seen in a stakeholder approach where companies need to accommodate all the constituents who are affected and make an impact on the company, namely stakeholders. Thus, companies are deemed obliged to do business that does not harm the interests of one or more constituents. In this case, the company is expected to act as moral agents who will act ethically and sustainably even without the rules of law that mandated for them. A broader definition expands from a focus on stakeholders to include philanthropy and volunteering.

Bhattacharya and Sen (2004) adopted a broad definition of CSR while Smith (2018) chose a narrow definition of CSR. Lee and Carroll (2011), however, adopted a comprehensive definition of CSR that covers all of the relevant dimensions. While CSR Europe, refers to the way a company manages and improves its social and environmental impact to generate value for both its shareholders and stakeholders by innovating its strategy, organization, and operations as cited in Siregar and Bachtiar (2010).

Business dictionary defines CSR as "A company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programs and (3) by earning adequate returns on the employed resources.” As cited in D.S. Prathima (2015, p. 2).

As a result, there is no consensus among researchers about the definition of CSR. Therefore, McWilliams and Siegel (2000) state that CSR research suffers both theoretical and empirical problems as there is no single definition of CSR, thus he suggests that adopting a more business oriented definition of CSR (narrow view) may gain better results for economic consequences of CSR (see also Beurden and Gossling, 2008).

Jones (1980) who summarizes the CSR debate concludes that convergence on what constitutes socially responsible behavior is not an easy reach, so he suggests that it is better to see CSR as a process rather than a set of outcomes. Brammer, Jackson, and

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Matten (2012) reinforce this argument and state, “a universally valid definition of CSR is not only unlikely, but in some ways not even desirable”. Given that giving a concrete definition of CSR can actually limit its capacity. Similarly, Gray et al. (1995), comments that CSR is not embedded in legislations so that it does not received universal recognition and definition despite universal acceptance for its concept. Furthermore, Dahlsrud (2008) states that CSR is a social construction, so it is not possible to develop unbiased definitions, however, it is possible to identify similarities and differences between available definitions.

Although CSR does not have a conclusive definition, many researchers are now adopting a broader view of CSR. As discussed by Bhaduri and Selarka (2016) that CSR can be seen from its three letters separately, "Company" which shows all types of businesses; "Social" which refers to a society in which a business operates and "responsibility" which means fulfilling claims from others. Thus, CSR is the fulfillment of a business for social claims. In its broadest sense, the claims can come from all stakeholders and constituent groups that are in a reciprocal interaction with the organization.

Along that line, in today's CSR framework, profit is still an important goal. As suggested by Ogola and Dreer (2012) that many companies base their socially responsible actions on the belief that these actions provide or will provide some benefits to the company. However, the economic objective can no longer be the company's only goal. In the process of generating profits, the company is expected to operate without harming the interests of its stakeholders.

Although our review of the definitions of CSR is not exhaustive, the direction of the current definition of CSR is obvious. Where the current CRS component tends to include Environmental aspects (including philanthropic aspects), Social (including Ethical and stakeholder aspects) and governance (including aspects such as law, economics, voluntary action and reporting) as suggested by the Global Reporting Initiatives.

III. COMMON PRACTICE OF CSR DISCLOSURE

CSR has gained momentum in recent decades and global investors have shown high interest in CSR information. This phenomenon puts pressure on companies to carry out and simultaneously disclose their CRS activities. Many companies have responded to this investor demand by incorporating CSR in their strategic management, by allocating a number of resources for CSR activities and reporting them to the public in the hope of gaining economic rewards resulting from increasing consumer preferences or improved relationships with stakeholders. However, despite the economic potential of ESG disclosure, many other companies are still ignoring CSR calls because they consider CSR activities are inconsistent with their efforts to maximize profits. This section looks at how companies around the world have disclosed their CSR performance and how this practice works in Indonesia.

In terms of disclosure channels, CSR throughout the world has been disclosed in several channels. The most common being in a stand-alone CSR report or embedded in their annual reports (Adams, Hill, & Roberts, 1998; Siregar & Bachtiar, 2010). However, along with the advancement of information technology and the internet, at present, companies have also published their CSR information on their websites which enables companies to disseminate CSR information widely, efficiently and timely (Tagesson, Blank, Broberg, & Collin, 2009; Wanderley, Lucian, Farache, & Filho, 2008), e.g. in Nestle (Chou, 2014). A number of companies also use e-mail communication to convey their CSR performance (Derwall, 2007). As suggested by GRI3 that CSR reporting can be delivered in various forms, in stand-alone reports or in combination with annual and financial reports; and either through the web or print. CSR information can be provided by the company or reported by external parties. They are usually available in the public domain, but some of them can also be in the private domain. Disclosure of voluntary corporate CSR can also come in the following forms: press releases, initial public offering (IPO) prospectuses, corporate brochures and Bulletins (Arvidsson, 2011).

In terms of the number of reports issued, a private company that focuses on tracking CSR reports, Corporate Register3 states that there were only a small number of stand-alone CSR reports released in the United States before the mid-1990s, but then the numbers gradually increased, so in 2007 there were 300 CSR reports issued by US companies. Dhaliwal, Li, Tsang, and Yang (2014) also reported that there was a significant increasing trend in CSR reporting in the 2005 period, in which 48 firm’s issues stand-alone CSR reports, the number of which had increased by 2007 to over 800. This trend shows that more and more companies globally emphasize on CSR information, likewise the investors. This increasing trend is also reported by Bebbington, Larrinaga, and Moneva (2008).

In terms what is disclosed, Holland and Boon Foo (2003) show that different countries have different emphases, for example, UK and US companies place different emphasis on environmental items disclosed in annual reports. Adams et al. (1998) studied the factors that influence all types of social disclosure data in 150 companies from six European countries. They found that the size of the company, industry, and country of residence had an influence on the company's social reporting pattern. However, the

3 http://www.corporateregister.com/
number and nature of the information disclosed varied significantly among European countries. While Jenkins and Yakovleva (2006) who investigated the latest trends in CSR reporting from the world's 10 largest global mining companies concluded that there was an increase in sophistication in the development of social and environmental disclosures. This shows that the practice of disclosing CSR responsibilities is subjective to various institutional contexts. Gray et al. (1995) Gray et al. (1995) support this idea and state that unlike corporate Acts, CSR is not embedded in legislation; therefore, disclosure of CSR cannot be systemic.

Giannarakis and Theotokas (2011) try to provide a solution for this subjective problem and they suggest that subjectivity in CSR reporting can be mitigated by using internationally accepted CSR reporting guidelines. Several reporting guidelines have been developed by international agencies; however, only GRI standards are widely accepted for CSR reporting. GRI standard is an improvement to its former guidelines G4, G3, G2 and G1. GRI standards provide reference for disclosing CSR items which is breaking down to Environmental, Social and Governance (ESG) factors (GRI, 2017).

The other recent discussions in the literature surrounding CSR disclosure is the CSR reporting assurance. While KPMG (2008) has reported ethical considerations and innovation as two common determinants for reporting CSR factors, other studies have reported other motivations such as for legitimacy purposes (Zuraida, 2015). Therefore the reporting may not be genuine, there is a possibility that companies are only doing "green washing", namely the company's actions to display a false concern for CSR issues through disclosure of CSR factors solely to build a positive image of the company (Chou, 2014). Therefore, there could be a gap between CSR disclosure and CSR performance (or commonly known as Corporate Social Performance or CSP). Therefore, to increase the credibility of the CSR report, there has been an increase in demand from companies for CSR assurance for Social Responsibility disclosure reports (Ackers, 2009).

The prevalent global practice of CSR disclosure applies to Indonesian companies, however, the literature on Indonesian CSR disclosure practice is commonly sourced from annual reports. Using data from annual report of Basic and Chemical Industries Groups, Mirfazli (2008), for example, reported the focus of CSR reporting are on the following issues labor (51.60 percent), customer (19.40 percent), society (14.70 percent) and environmental (14.30 percent). Limited study has investigated the data from prospectuses.

CSR disclosure requirements for the IPO prospectus, implemented by the Financial Services Authority as the Indonesian Capital Market Authority, stated in the Financial Services Authority Regulation No. 8 /POJK.04/2017, which mentions a number of requirements concerning companies corporate governance, including information about the Board of Commissioners, Directors, employees, environmental impact and social responsibility.

The above requirements place CSR and social factors under corporate governance. This practice is not in accordance with the common classifications offered in the literature and the classification made by the GRI, where CSR is an umbrella for the three elements, namely Environmental, Social and Governance (ESG) factors. The points listed in the regulation under the corporate governance subtitles also show that the requirements in Indonesia's IPO prospectus appear to place more emphasis on corporate governance factors followed by social factors, while environmental factors receive a rather less attention. This reflects unambiguity in defining CSR, what constitutes CSR, and the scope of each of the individual factors of CSR.

There is also no guideline in the regulation about how to report CSR or what CSR factors should be reported, so that the CSR component that must be reported is submitted entirely at the discretion of the IPO Company. While in some world stock markets, companies are starting to be mandated to disclose CSR through the "Comply or Explain" requirements, where companies are asked to choose whether to provide CSR disclosures or explain why they do not disclose their CSR performance (Ioannou & Serafeim, 2017). Moreover, in South Africa companies listed on the Johannesburg Stock Exchange have long been required to report on their CSR performance in accordance with the GRI guidelines. Several national governments and stock exchanges have also followed their footsteps (Zuraida, 2015).

Table I shows the level of CSR disclosure in the prospectus of Indonesian companies conducting IPOs between 2012 and 2018. We classify disclosures into 9 themes namely Society, Amdal 4, Education and Training, Health, Infrastructure, Environment, Economy, Miscellaneous CSR Topic and Labor. The highest disclosure is for Society theme with 96 scores or 25% of all disclosures. In addition, the lowest disclosure on the Miscellaneous CSR Topic with only 4 scores or equal to 1% of total disclosure. Overall, the total disclosures scored is 388, this score is still relatively low considering that if all 162 companies disclose each item in every nine themes above, the total score will be 1440, so that the overall score is only 27% of the overall disclosure. In addition, the disclosure indicators shown in Table I, also indicate that Indonesian companies seem to define CSR as

4 Amdal is a requirement for IPO companies to implement an Environmental Assessment (EA) before a project is implemented. EA is an assessment of environmental consequences, positive or negative, of company's activities to ensure that environmental impacts are considered before deciding to implement a project.
what they give back to the society. Thus, they do not seem to consider other important policies such as using machinery that reduces environmental impacts or treat employees in a respectful manners are also a part of CSR practices. Thus, we confirm our initial predictions that there is an ambiguous understanding of the concept of CSR in Indonesian companies.

### TABLE I. CSR DISCLOSURE

<table>
<thead>
<tr>
<th>No</th>
<th>CSR Factors</th>
<th>Indicators</th>
<th>Score</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Society</td>
<td>Social assistance (donation, compensation); Religious assistance (celebration of religious days); Disaster assistance (flood, earthquake, etc.)</td>
<td>96</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>AMDAL</td>
<td>Environmental Assessment</td>
<td>71</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Education and training</td>
<td>Scholarships and educational assistance; Seminars and symposiums, Training (workshop and entrepreneurship); Support for educational facilities &amp; infrastructure (books, computers, internet, schools, reading parks, etc.) Internship program</td>
<td>59</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>Health</td>
<td>Free health services; Free surgery (cataracts, cleft lips), Blood donors, Drug assistance; Health infrastructure assistance (Puskesmas, clinics); Healthy sanitation; Fogging of dengue fever</td>
<td>52</td>
<td>13</td>
</tr>
<tr>
<td>5</td>
<td>Infrastructure</td>
<td>Construction of public infrastructure (roads, bridges, and sports infrastructure); Construction of worship infrastructure (mosques, churches, etc.)</td>
<td>37</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Environment</td>
<td>Greening (planting trees and mangrove); Use of environmentally friendly materials (biodegradable bag, eco-AC); Application of green concepts in buildings; Waste handling and processing; Application of emission tests; Water recycle; Use of solar panels; Green campaign; Application of office energy efficiency; Zero burning implementation; Forest management; Environmental rehabilitation and preservation</td>
<td>33</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Economy</td>
<td>Business capital assistance; Local hiring, community empowerment; Micro financing</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Miscellaneous CSR Topic</td>
<td>Sports and youth program assistance; Festival and art assistance</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>Labour</td>
<td>Employee health and safety</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Total</td>
<td></td>
<td>388</td>
<td>100</td>
</tr>
</tbody>
</table>

### IV. METHOD

This study has three objectives, namely to explore the conceptual definition of CSR; to review the general practice of CSR disclosure and to examine whether Indonesian companies have fully adopted the correct practice of CSR disclosures in their IPO prospectuses.

To investigate the first two research objectives, we conducted a literature review on the conceptual definitions of CSR that have been proposed in the literature. Our review is not exhaustive, but we focus on a number of review papers that have classified the definition of CSR into several themes. Likewise, we did not explore all the previous publications about what have been proposed as current CSR practices, but we focus, instead, on common practice in various countries to conclude whether the CSR disclosure practice in Indonesia, in particular, in the Indonesia IPO prospectus are in accordance with common practice in foreign countries.

For the purpose of the third study, we investigated 162 prospectuses, all of which were prospectuses issued from 2012 to 2018 by the Indonesia Stock Exchange. The study period was chosen as the International Financial Reporting Standards (IFRS) first applied in Indonesia in 2012. We obtained research data from the prospectus using content analysis using theme-based coding. Data was then analyzed using powerful statistical software, Stata IC 15 to obtain descriptive statistics and multiple regression analysis.

### V. FINDING AND DISCUSSIONS

Table II, Table III and Table IV show CSR disclosures throughout the year, age group and Industry. Consistent with the theory, CSR disclosure is contextual and time related. Companies that have long been established tend to reveal fewer CSR factors maybe because they are already well-established so they no longer try hard to keep up with new developments to gain market legitimacy. Companies engaged in certain industries also tend to disclose CSR factors more significantly than their counterparts do. This is probably due to the high disclosure of CSR by other companies in the same industry, resulting in other companies following in the footsteps in order to remain competitive.

### TABLE II. CSR DISCLOSURE BY YEAR

<table>
<thead>
<tr>
<th>IPO Year</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>22</td>
<td>3.363.636</td>
<td>2.194.049</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>2013</td>
<td>29</td>
<td>2.862.069</td>
<td>1.826.866</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>2014</td>
<td>22</td>
<td>2.818.182</td>
<td>1.53.177</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>2015</td>
<td>16</td>
<td>25.625</td>
<td>1.547.848</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>14</td>
<td>2.857.143</td>
<td>20.327</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>2017</td>
<td>37</td>
<td>1.486.486</td>
<td>1.556.735</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>2018</td>
<td>22</td>
<td>0.105</td>
<td>1.625.687</td>
<td>0</td>
<td>6</td>
</tr>
</tbody>
</table>

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The disclosure of social, environmental, and government factors as suggested by the Global Reporting Initiative (GRI) guidelines but also they are not practices adopted by Indonesia, construction and not related to legislation, insufficiently revealed. The lack of emphasis by the Indonesian Capital Market Authority CSR. These results indicate CSR disclosure practice in Indonesian companies is still in the early stage so that there is still a lack of awareness of the company about the benefits of social responsibility disclosure and the lack of emphasis by the Indonesian Capital Market Authority (ICMA) practice.

VI. CONCLUSION

The research findings show that existing researchers have proposed various definitions of CSR, however, they seem to agree that CSR covers aspects such as Environmental, Social and Government factors as suggested by the Global Reporting Initiative (GRI). Thus, globally, resent CSR disclosure practices have adopted the GRI guidelines, however, given that CSR is a social construction and not related to legislation, its disclosure is still voluntary and varies across institutional contexts. The disclosure practices adopted by Indonesian companies in IPO prospectus are, therefore, still ambiguous, not only they do not follow the GRI guidelines but also they are not provided with guidance on CRS factors to be disclosed, and consequently the level of disclosure.

Table V shows descriptive statistics of our seven variables and Table VI shows the regression results. As expected, company size and profit have positive and significant relationship with CSR disclosure. While advantage, company age, underwriter and auditor reputations are not significantly associated with CSR disclosure. These results indicate CSR disclosure practice in Indonesian companies is still in the early stage so that there is still a lack of awareness of the company about the benefits of social responsibility disclosure and the lack of emphasis by the Indonesian Capital Market Authority (ICMA) practice.
and the number of factors disclosed in the prospectus varies greatly from one company to another. We also found that CSR disclosure in IPO companies is positively related to company size and profits.

We contribute to the literature on CSR disclosure in three areas. First, we provide new evidence about CSR disclosure using a new dataset from the IPO prospectus. Second, we show to Indonesian regulators that the definitions and elements of CSR currently adopted are not in accordance with the GRI standard, which is applied globally. Third, we provide academics with longitudinal evidence about the factors that drive CSR disclosure.

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