

**DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY  
DISCLOSURE: EMPIRICAL EVIDENCE FROM MINING  
COMPANIES IN INDONESIA (2020–2022)**

**DETERMINAN PENGUNGKAPAN CORPORATE SOCIAL  
RESPONSIBILITY: BUKTI EMPIRIS PADA PERUSAHAAN  
PERTAMBANGAN DI INDONESIA PERIODE 2020–2022**

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**Abstract**

*This study aims to determine the influence of profitability, liquidity and leverage on corporate social responsibility (CSR) disclosures (case studies of mining companies listed on the Indonesia Stock Exchange (IDX) for 2020-2022). This study employs a quantitative research approach. Secondary data are used as the data collection technique, while the sample is selected using purposive sampling. Data analysis is conducted using EViews version 12, as the study utilizes panel data. The stages of analysis include classical assumption tests and the estimation of panel data regression models, consisting of the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). Selection of data regression models panel with chow test, hausman and lagrange multiplier, panel data regression analysis using t test, F test and the coefficient of determination (R<sup>2</sup>). The results of this study indicate that from the results of selecting the panel data regression model selected REM, then 1) Profitability has a significant positive effect on CSR recognition in Mining Companies Registered on the Indonesia Stock Exchange (IDX) in 2020-2022. 2) Liquidity has a significant negative effect on CSR recognition at Mining Companies Listed on the Indonesia Stock Exchange (IDX) for 2020-2022. 3) Leverage has a significant negative effect on CSR recognition in Mining Companies Listed on the Indonesia Stock Exchange (IDX) for 2020-2022. 4) Profitability, liquidity and leverage have a jointly significant positive effect on the recognition of CSR in Mining Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.*

**Keyword :** CSR, mining, profitability, liquidity, leverage

### Abstrak

Penelitian ini bertujuan untuk Pengaruh *Profitabilitas, Likuiditas Dan Leverage* Terhadap Pengungkapan *Corporate Social Responsibility (CSR)* (Studi Kasus Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2020-2022). Penelitian ini menggunakan pendekatan kuantitatif. Teknik pengumpulan data yang digunakan adalah data sekunder, sedangkan pemilihan sampel dilakukan dengan metode *purposive sampling*. Analisis data dilakukan menggunakan perangkat lunak EViews versi 12 karena penelitian ini menggunakan data panel. Tahapan analisis meliputi uji asumsi klasik serta estimasi model regresi data panel yang terdiri dari *Common Effect Model (CEM)*, *Fixed Effect Model (FEM)*, dan *Random Effect Model (REM)*. Pemilihan model regresi data panel dengan uji *chow, hausman dan lagrange multiplier*, analisis regresi data panel menggunakan uji t, uji F dan koefisien determinan ( $R^2$ ). Hasil penelitian ini menunjukkan bahwa dari hasil pemilihan model regresi data panel terpilih REM, maka 1) *Profitabilitas* berpengaruh positif signifikan terhadap pengakuan CSR pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2020-2022. 2) *Likuiditas* berpengaruh negatif signifikan terhadap pengakuan CSR pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2020-2022. 3) *Leverage* berpengaruh negatif signifikan terhadap pengakuan CSR pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2020-2022. 4) *Profitabilitas, likuiditas dan leverage* berpengaruh positif signifikan secara bersama-sama terhadap pengakuan CSR pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2020- 2022.

**Kata kunci:** CSR, pertambangan, *profitability, liquidity, leverage*

#### A. Introduction

The rapid development of the business world has led to the growth of many large corporations in recent years, which goes hand in hand with the increasing demand for corporate social responsibility. Corporate Social Responsibility (CSR) aims to enhance firm value by ensuring accountability for both the physical environment and the social environment in which companies operate.

CSR provides the understanding that companies possess both the capacity and the responsibility to contribute to the growth and development of the environment in which they operate. Although CSR disclosure does not generate immediate profits for companies in the short term, it provides long-term benefits. Therefore, the ultimate outcome of a CSR strategy constitutes an important investment for the company. This investment is reflected in financial performance, which serves as a crucial indicator for both the company and investors.

According to Felisia (2017), performance refers to the outcomes achieved from various activities through the effective utilization of available resources, which are measured using specific standardized metrics.

The measurement of firm performance can be conducted by assessing a company's financial performance. Financial performance can be evaluated using various approaches, one of which is the measurement of corporate profitability (Andi, 2022). Profitability refers to a company's ability to generate profits from its own operations. The relationship between profitability and the disclosure of corporate social responsibility arises when higher profitability reflects greater efficiency in the company's utilization of its resources and facilities (Hary Ardian and Surya Rahardja, 2013).

In this study, profitability is operationalized using the Return on Assets (ROA) ratio. ROA is employed because it effectively reflects the efficiency of management in utilizing total assets to generate earnings. Higher ROA values indicate superior financial performance and greater effectiveness in the execution of the company's operational activities. Consequently, firms with higher ROA are considered to possess a stronger competitive position in terms of financial performance.

The use of the ROA variable indicates the relationship between CSR and financial performance (Adinda, 2021). As profit-oriented entities, earnings play a dominant role in determining whether a firm faces bankruptcy or is able to sustain its operations within an industry. This sustainability is closely related to liquidity, which refers to a company's ability to meet its short-term financial obligations or liabilities as they become due.

A company that has sufficient capacity to settle its short-term liabilities is referred to as a liquid company, whereas a company that lacks adequate ability to meet its short-term obligations is considered illiquid (Fahri Eka Oktora et al., 2023). In this study, liquidity is measured using the Current Ratio (CR), which represents the ratio of current assets to current liabilities (Wiratna Sujarweni, 2017:45).

If the results of the calculation indicate that a company has a high leverage ratio, this condition increases the risk of default on its debt obligations; however, it may also have a positive impact on the continuity of the company's business operations. Conversely, companies with lower leverage ratios tend to face a lower risk of losses, particularly during periods of economic downturn.

Companies with higher leverage ratios tend to disclose more extensive and detailed information in their annual reports in order to meet the information needs of stakeholders, compared to firms with lower leverage levels. When a company relies more heavily on debt than on equity financing, its leverage level increases, as the interest burden borne by the company also rises.

The leverage variable is employed as one of the ratios influencing CSR due to inconsistencies in prior empirical findings, which indicate that leverage has no significant effect on CSR disclosure. Corporate Social Responsibility (CSR) disclosure is formally reported in a company's annual report. In Indonesia, mining companies constitute a category of firms whose operations are directly related to the exploitation of natural resources and are therefore subject to mandatory social and environmental responsibility, as stipulated in Article 74(1) of Law No. 40 of 2007 on Limited Liability Companies.

In accordance with Article 74 paragraph (1) of Law No. 40 of 2007 on Limited Liability Companies, all mining companies are expected to disclose their corporate social responsibility activities. However, in practice, as of 2022, not all mining companies in Indonesia have publicly disclosed their corporate social responsibility (CSR) information. The mining industry is one of the sectors capable of generating substantial economic benefits. The extraction of natural resources, particularly minerals and coal, contributes significantly to national revenue.

The phenomena Mining companies represent an industry that generates substantial economic benefits. The extraction of natural resources, particularly minerals and coal, contributes significantly to national revenue. However, mining activities also entail environmental consequences, including pollution and ecological degradation. Therefore, mining companies are required to implement corporate social responsibility programs aimed at mitigating the environmental damage resulting from their mining operations.

Therefore, it is necessary to examine the extent to which corporate social responsibility (CSR) disclosure practiced by mining companies has been influenced by their levels of profitability, liquidity, and leverage in the current year. Based on the data and problem background described above, the researcher is interested in conducting a study entitled *Determinants of Corporate Social Responsibility Disclosure: Empirical Evidence From Mining Companies In Indonesia (2020–2022)*

## **B. Literature Review**

### **Financial Performance**

Financial performance is an analysis carried out to see to what extent a company has implemented its financial implementation rules properly and correctly. According to Jumingan (2016:239), financial performance represents an overview of a company's financial condition during a specific period, encompassing both fund mobilization and fund

allocation activities, and is commonly measured using indicators of capital adequacy, liquidity, and profitability.

### **Financial Statement**

Financial statements that reflect strong performance serve as a signal that a company has operated effectively and function as an important tool for evaluating corporate performance as well as attracting potential investors. Financial statements can be analyzed using financial ratios, which illustrate the relationships between specific financial figures and other relevant amounts.

### **Financial Ratio**

Financial ratios are analytical tools used to compare figures contained in financial statements by dividing one figure by another. These comparisons may be conducted between components within the same financial statement or across components from different financial statements, and the resulting ratios can be evaluated for a single period or across multiple periods (Kasmir, 2014:107).

According to Abrar et al., the measurement of a company's financial performance is conducted using financial ratios, which comprise several types of ratios, including:

- a. Liquidity ratios reflect a firm's ability to meet its short-term financial obligations as they fall due. According to Wiratna Sujarweni (2017:45), liquidity is commonly assessed using the current ratio, quick ratio, and cash ratio, each of which captures different aspects of a company's short-term solvency.
- b. Leverage ratios describe a company's ability to meet its long-term obligations or its liabilities in the event of liquidation. According to Kasmir (2016:16), leverage can be measured using the debt-to-asset ratio, debt-to-equity ratio, long-term debt-to-equity ratio, times interest earned ratio, and fixed charge coverage ratio.
- c. Profitability ratios reflect a company's ability to generate earnings through the effective utilization of its capabilities and available resources. Corporate profitability can be measured using various indicators, including Return on Assets (ROA), Return on Equity (ROE), Tobin's Q, and Earnings per Share (EPS).
- d. Activity ratios are used to evaluate the efficiency of asset utilization within a firm.

In this study, asset efficiency is measured using Total Assets Turnover (TATO),

which indicates the extent to which a company's total assets are effectively employed to generate revenue (Sayid Abrar, 2019:131).

## **Profitability**

Profitability represents a firm's capacity to generate earnings over a given period. Profitability indicators are commonly linked to sales, total assets, and shareholders' equity, reflecting the efficiency with which a company utilizes its resources to produce profits (Bambang Riyanto, 2018:67). Accordingly, profitability ratios serve as key measures for evaluating a company's earning performance.

### 1) *Return On Equity*

Return on Equity (ROE) is a ratio used to assess a company's performance by examining the amount of profit generated relative to the equity invested. Firms with higher profitability ratios tend to generate higher levels of earnings.

$$ROE = \frac{\text{Net Income}}{\text{Shareholders' Equity}} 100\%$$

### 2) *Return On Asset*

Return on Assets (ROA) is a profitability ratio that measures a firm's ability to generate earnings from its total assets, reflecting the efficiency with which management utilizes assets to produce profits.

$$ROA = \frac{\text{Net Income}}{\text{Average Total Assets}} 100\%$$

### 3) *Net Profit Margin*

Net profit margin is a measure of a company's profitability. Investors may use this ratio to assess the firm's effectiveness in generating profits.

$$NPM = \frac{\text{Net Profit}}{\text{Total Revenue}} 100\%$$

Profitability is an important independent variable that influences capital structure. The higher a firm's profitability, the lower its level of debt, as greater internal funds are available to finance its investments.

Return on Assets (ROA) and Return on Equity (ROE), as key profitability ratios, serve as important indicators for investors. These ratios are employed to quantitatively assess a firm's ability to generate net income, which is closely associated with dividend distribution. ROA measures the return on total assets after interest and taxes, while ROE reflects the efficiency of equity utilization in generating profits. The selection of ROA and ROE implies that higher values of these ratios indicate greater efficiency in the use of shareholders' capital to generate returns for investors (Horne & Wachowicz, 2015).

### **Liquidity**

Liquidity ratios are measures that describe a firm's ability to meet its short-term obligations. Fahmi explains that liquidity refers to a company's capacity to fulfill its short-term liabilities in a timely manner (Fahmi, 2018:99). One of the liquidity ratios employed in this study is the current ratio, which is used to measure a firm's ability to meet its short-term obligations as they become due.

This ratio compares balance sheet components, namely total current assets and total current liabilities, over several periods in order to observe changes in the firm's liquidity over time. A firm that is able to meet its short-term obligations is considered liquid, whereas a firm that is unable to fulfill its obligations—whether short-term or long-term—within a specified maturity period is classified as illiquid.

Liquidity ratios can be measured using several ratios, namely:

#### 1) Current Ratio

It is used to measure a firm's ability to meet its short-term obligations using available current assets. Formula:

$$CR = \frac{\text{Current Asset}}{\text{Current Liabilities}} 100\%$$

#### 2) Quick Ratio

The quick ratio is a liquidity ratio that measures a firm's ability to meet its current liabilities using its most liquid current assets, excluding inventory. Formula:

$$QR = \frac{\text{Cash and Equivalents} + \text{Marketable Securities} + \text{Accounts Receivable}}{\text{Current Liabilities}} 100\%$$

### 3) Cash Ratio

The cash ratio is a financial metric used to measure the amount of cash available to settle outstanding liabilities. This ratio reflects a firm's actual capacity to meet its short-term obligations using only cash and cash equivalents. The formula used to calculate the cash turnover ratio is known as the Cash Turnover Ratio. This ratio is employed to measure the adequacy of cash availability to meet liabilities (accounts payable) and expenses associated with sales activities. The formula used is as follows:

$$\text{Cash Ratio} = \frac{\text{Cash} + \text{Cash Equivalent}}{\text{Total Current Liabilities}}$$

## Leverage

The leverage ratio is a financial ratio that measures the proportion between funds provided by the company's owners and those obtained from the company's creditors. This ratio reflects the level of financial risk borne by the firm. The use of debt as a component of capital allows owners to benefit from increased returns resulting from additional capital; however, owners are also obligated to pay interest on the debt. If the firm generates returns that exceed the cost of borrowed funds, the rate of return to shareholders will increase.

### 1) Debt To Equity Ratio

This ratio measures the extent to which a company's assets are financed by debt, or the degree to which corporate debt influences the management and utilization of assets.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Shareholders' Equity}}$$

### 2) Debt to Asset Ratio

The Debt to Asset Ratio (DER) reflects the relationship between a firm's long-term debt and the equity contributed by its owners, and is used to evaluate the proportion of financing provided by creditors relative to that supplied by shareholders.

$$\text{Debt to Asset Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

### **Corporate Social Responsibility (CSR)**

Corporate Social Responsibility (CSR) refers to a form of corporate action grounded in ethical considerations, aimed at enhancing economic performance while simultaneously improving the quality of life of employees and their families, as well as the well-being of the surrounding community and society at large (Bambang, 2013:7).

Corporate social responsibility is an obligation borne by a company toward society (Thomas S. Bateman and Scott A., 2008: 205). Hughes and Kapoor define corporate social responsibility as the recognition that business activities have an impact on society, and that such impacts should be taken into account in business decision-making. Baron defines corporate social responsibility as a moral commitment to specific principles or as the redistribution of a portion of a company's wealth to other parties.

### **Principles of Corporate Social Responsibility (CSR)**

Corporate Social Responsibility (CSR) consists of three main principles, namely:

a. *Sustainability*

This concept concerns the consequences of present actions on the set of choices available in the future. The utilization of resources in the present reduces their availability in the future, a consideration that is particularly critical when resources are finite (Rudianto, 2013 :88).

b. *Accountability*

Accountability relates to a company's recognition of actions that affect the external environment and, consequently, the assumption of responsibility for those actions. This principle entails evaluating the consequences of the actions undertaken by the company, both within the organization and in relation to external stakeholders.

c. *Transparency*

Transparency, as a principle, refers to the extent to which the internal consequences of an organization's actions can be clearly identified through the reports it produces, with no material facts being concealed. Accordingly, all consequences of the organization's actions, including internal impacts, should be explicitly disclosed to stakeholders through the information provided by the organization's reporting mechanisms.

### C. Research Methodology

This study employs an associative research design to analyze the effects of profitability, liquidity, and leverage on Corporate Social Responsibility (CSR) disclosure among mining companies listed on the Indonesia Stock Exchange (IDX) over the 2020–2022 period.

The population of this study consists of 63 companies in the mining sector. The sampling technique employed in this study is purposive sampling, with the following criteria:

1. Mining sector companies that were continuously listed on the Indonesia Stock Exchange (IDX) throughout the 2020–2022 period.
2. Mining sector companies that prepare their financial statements in Indonesian rupiah.

From a total population of 63 mining sector companies listed on the Indonesia Stock Exchange (IDX), 22 companies satisfied the predefined sampling criteria and were therefore included in the final sample. This study employs logistic regression analysis as the primary analytical method.

### D. Result and Discussion

#### Result

#### Panel Data Regression Analysis

The following table presents the results of panel data regression analysis using the Random Effects Model (REM), which is employed to conduct the t-test, F-test, and the coefficient of determination ( $R^2$ ) test.

#### **Panel Data Regression Results *Random Effect Model (REM)***

Dependent Variable: Y  
Method: Panel EGLS (Cross-section random effects) Date: 08/19/23 Time: 20:47  
Sample: 2020 2022  
Periods included: 3  
Cross-sections included: 22  
Total panel (balanced) observations: 66  
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	66.96718	3.802462	17.61153	0.0000
X1	0.627919	0.147059	4.269840	0.0001
X2	-0.015842	0.006730	-2.354049	0.0218
X3	-0.056335	0.009378	-6.006836	0.0000

Effects Specification		S.D.	Rho
Cross-section random		8.387028	0.3548
Idiosyncratic random		11.31090	0.6452
Weighted Statistics			
R-squared	0.500527	Mean dependent var	36.70216
Adjusted R-squared	0.476358	S.D. dependent var	15.80603
S.E. of regression	11.43773	Sum squared resid	8110.949
F-statistic	20.71024	Durbin-Watson stat	2.278744
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.611254	Mean dependent var	59.74076
Sum squared resid	12111.39	Durbin-Watson stat	1.526066

Source: Data is processed (2023)

Based on the panel data regression results using the Random Effects Model (REM) presented above, the hypothesis testing of the panel data regression can be explained as follows:

$$CSR_{it} = \alpha_0 + \beta_1 ROA_{it} + \beta_2 CR_{it} + \beta_3 DER_{it} + er_{it}$$

$$Y = 66.967 + 0.628 * X_1 - 0.016 * X_2 - 0.056 * X_3 + er_{it}$$

The above equation can be interpreted as follows:

- 1) The constant term ( $\alpha$ ) of 66.967 indicates that when the independent variables (X) are held constant at zero, the CSR variable has a value of 66.967.
- 2) The regression coefficient for ROA is 0.628, indicating that a one-percentage-point increase in profitability leads to an increase of 0.628 units in ROA, ceteris paribus, assuming that all other independent variables are held constant.
- 3) The regression coefficient of the Current Ratio (CR) is  $-0.016$ , indicating that a one-percentage-point increase in liquidity is associated with a decrease of 0.016 units in CSR, assuming that the other independent variables are held constant.
- 4) The regression coefficient of the Debt-to-Equity Ratio (DER) is  $-0.056$ , indicating that a one-percentage-point increase in DER leads to a decrease of 0.056 units in CSR, assuming that the other independent variables remain constant.

**T-test**

Based on the results of the t-test, the following conclusions can be drawn:

## 1) Return on Asset

In this study, the absolute  $t$ -statistic value for ROA ( $X_1$ ) is 4.269, with a significance level of 0.00, which is lower than 0.05, indicating a statistically significant effect on CSR disclosure. Therefore, Hypothesis  $H_{a1}$  is accepted, while the null hypothesis  $H_{01}$  is rejected.

## 2) Liquidity

In this study, the absolute  $t$ -statistic value for the Current Ratio (CR) ( $X_2$ ) is  $-2.354$ , with a significance level of 0.02, which is lower than 0.05, indicating a statistically significant effect on CSR disclosure. Therefore, Hypothesis  $H_{a2}$  is accepted, while the null hypothesis  $H_{02}$  is rejected.

## 3) Debt to Equity Ratio

In this study, the absolute  $t$ -count value for the Debt-to-Equity Ratio (DER) ( $X_3$ ) is  $-6.007$ , with a significance level of 0.00, which is lower than 0.05, indicating a statistically significant effect on CSR disclosure. Therefore, Hypothesis  $H_{a3}$  is rejected, while the null hypothesis  $H_{03}$  is accepted.

**F-test**

The F-test results show an F-statistic of 20.710 with a probability value of 0.0000, which is below the 0.05 significance threshold. This indicates that, at the 5% significance level ( $\alpha = 0.05$ ), Return on Assets (ROA), Current Ratio (CR), and Debt-to-Equity Ratio (DER) jointly exert a statistically significant effect on Corporate Social Responsibility (CSR). These findings suggest that the independent variables collectively influence CSR, implying that CSR disclosure is closely associated with variations in ROA, CR, and DER.

**Coefficient of Determination Test ( $R^2$ )**

The coefficient of determination is assessed using the adjusted  $R^2$  value, which aims to measure the extent to which the model explains the variation in the dependent variable. Based on the results presented in the table above, the adjusted  $R^2$  is 0.4763, indicating that approximately 47.6% of the variation in the dependent variable is explained by the model, while the remaining variation is attributable to other variables not included in this study.

## Discussion

### 1. The Effect of Profitability (Return on Assets) on CSR Disclosure among Mining Companies Listed on the Indonesia Stock Exchange (2020–2022)

The ROA variable has a positive effect, with a coefficient of 4.2698 and a significance probability of 0.000. These results indicate that the higher a company's ROA, the greater the likelihood of CSR implementation. This ratio reflects the extent to which a company efficiently utilizes its assets in operational activities. Consequently, a higher ROA value suggests a more favorable financial condition. Companies with strong financial performance tend to possess greater resources to invest in the domain of social performance (Margarita Tsoutsoura, 2020).

Several studies indicate that profitability, as proxied by return on assets (ROA), has an effect on a company's corporate social responsibility (CSR) disclosure. Research conducted by Enny Arita and Rishendri Mukhtar, Ari Irawan, and Ida Ayu Putri Laksmidewi Purba concludes that ROA, as one of the profitability ratios, has a positive influence on CSR disclosure. This finding suggests that the higher the level of profit earned by a company, as reflected in its ROA, the more extensive the CSR disclosure undertaken by the company.

### 2. The Effect of Liquidity (Current Ratio) on CSR Disclosure among Mining Companies Listed on the Indonesia Stock Exchange (2020–2022)

The results of this study indicate that the liquidity variable, as measured by the Current Ratio, has a statistically significant effect on CSR. Specifically, the Current Ratio exhibits a significant influence on CSR with a coefficient of  $-2.3540$  and a significance probability of 0.020. A lower level of corporate liquidity is associated with a higher level of CSR disclosure.

Liquidity is a key performance indicator frequently used by investors in evaluating firms. From a signaling perspective, investors tend to rely on observable financial ratios when assessing firm performance; thus, low liquidity may lead to unfavorable market perceptions or even capital withdrawal. In response to such conditions, firms may strategically increase CSR disclosure as a signal of long-term sustainability and managerial commitment. Furthermore, from a legitimacy theory standpoint, enhanced CSR disclosure serves as a mechanism to reduce information asymmetry and maintain organizational legitimacy in the eyes of stakeholders.

Through CSR disclosure, companies can enhance their corporate image and gain positive recognition from both the public and investors. Consistent with the findings of Irine Fauziah, which examine the effect of the Current Ratio on corporate social responsibility, the study concludes that the Current Ratio has a negative effect on CSR disclosure (Irine Fauziah and Nur Fadjrih Asyik. 2019:18).

Legitimacy theory, as proposed by Deegan, asserts that there is a “social contract” between an organization and the society in which it operates. Through the disclosure of corporate social responsibility (CSR), companies are able to obtain a positive image and recognition from both the public and investors. In line with the study conducted by Irine Fauziah on the effect of the current ratio on corporate social responsibility, the findings indicate that the current ratio has a negative influence on CSR disclosure. Similarly, research by Sabela reveals that the current ratio (CR) has a significant negative effect on CSR disclosure.

### **3. The Effect of Leverage (Debt-to-Equity Ratio) on CSR Disclosure among Mining Companies Listed on the Indonesia Stock Exchange (2020–2022)**

The results of this study indicate that leverage, as measured by the Debt-to-Equity Ratio (DER), has a negative and statistically significant effect on CSR disclosure. This is evidenced by a coefficient value of  $-6.0068$  and a significance probability of  $0.000$ . From the perspective of CSR disclosure reported by companies in their annual reports, it may influence the leverage ratio, as CSR activities incur costs borne by the company, which can reduce profits or even increase company debt. However, by disclosing social responsibility, the company can demonstrate that it remains capable of maintaining its “going concern” status within its operating environment.

This indicates that leverage plays an influential role in corporate social responsibility (CSR) disclosure, as it also affects a company’s image or reputation in the eyes of bondholders, who act as creditors. In accordance with the findings of Sabela, the study reveals that the debt-to-equity ratio (DER) has a significant negative effect on CSR disclosure. Similarly, research conducted by Aswin also concludes that DER has a significant negative influence on CSR disclosure.

## **E. Conclusion**

- a. Profitability has a positive and significant effect on CSR disclosure in mining

- companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2022 period.
- b. Liquidity has a negative and significant effect on CSR disclosure in mining companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2022 period.
  - c. *Leverage* berpengaruh negatif signifikan terhadap pengakuan CSR pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2020-2022.
  - d. *Profitabilitas, likuiditas* dan *leverage* berpengaruh positif signifikan secara bersama-sama terhadap pengakuan CSR pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2020-2022.

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