



The Effect of Gender Diversity and Slack Resources on Corporate Social Responsibility Disclosure

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ABSTRACT

The purpose of this study was to determine the effect of gender diversity and slack resources on the corporate social responsibility disclosure. This study uses secondary data obtained from the annual report on the IDX. The population in this study were all mining companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020 and sampling using the purposive sampling method and obtained a sample of 14 companies. The technique used in this research is robust regression analysis using Eviews 12. The research method used is a quantitative method with the dependent variable, namely corporate social responsibility disclosure and the independent variables, namely gender diversity and slack resources. The results of this study indicate that gender diversity has an effect on corporate social responsibility disclosure with a result of 0.004 less than 0.05 while slack resources has no effect on corporate social responsibility disclosure with a result of 0.146 greater than 0.05 in mining companies. Simultaneous results with F of 0.000365 can be seen that the variables of gender diversity and slack resources have an effect on corporate social responsibility disclosure.

Keywords: Corporate Social Responsibility Disclosure, Gender Diversity, Slack Resources.

INTRODUCTION

Corporate social responsibility (CSR) is an effort made by Company to be responsible for the company's activities to the impact produced economically, socially, and environment. Company currently running its always trying to improve corporate image, one of them with conducting Corporate Social Responsibility (CSR). CSR disclosure can provide positive signal information stating that Company is better than other companies because it pays attention to impact economy, environmental and social activities operations of the Company and each Company it is necessary to disclose CSR to the where are the stakeholders information revealed in the disclosure CSR can be a guarantee for the stakeholders so that there is no concern over future sustainability issues (Septianingsih & Muslih, 2019).

In Indonesia, Corporate Social Responsibility (CSR) is one means of obligation to be carried out by companies in accordance with Law Number 40 of 2007 concerning Limited Liability Companies and Government Regulations number 47 of 2012 concerning Corporate Social Responsibility and Environmental Responsibility Limited (PT). Since its implementation Government Laws and Regulations one by one limited liability Company in Indonesia began to reveal activities social responsibility in the report annually, especially companies in the field business related to the environment.

In the implementation of the Company mining sector has started pay attention to the implementation of the activity CSR. But there are still many impacts arising from mining activities in Indonesia is an example of air pollution comes from factory smoke, water pollution which sourced from discarded factory waste to rivers, and various environmental damages anything else that could cause damage natural. Not only that, the community live in the mining area should actually benefit getting less attention from the party mining company as if only extract natural resources in the area it and pay no attention welfare of the local community mining (Septiadi et al., 2017).





According to Mutia et al., in Istiana (2016) corporate social responsibility emerges as a result of the modernization of society already understand that the activities that by the company can have an impact negative for the environment. If this very close to the activities carried out by companies in the present era often involve the community. In mining production process will produce a solid production waste related to pollution problems environment. The production process is carried out also requires it to have workers production so that work safety issues must also be considered. As in Case Director's mineral mining activities Executive of the Indonesian Forum for the Environment Indonesia (WALHI) which considers that mining industry in Indonesia yet comply with environmental principles stemming from licensing issues, conflicts with local residents, until pollution due to mining tailings waste and dust coal. And this assumes that negative impact of the mining industry towards the environment and society goes from upstream to downstream. Role government is also considered insignificant in supervising the implementation of the Law and its derivatives (Industri, 2021).

One of the influencing factors CSR disclosure, namely Gender Diversity is the emphasis on diversity on the presence of members of the board of commissioners and female directors of a company (Yumna, 2018). Judging from the personality, manner communicate, and when working between women and men are different. Involvement of women in boardrooms actively make an impact in goal setting and disclosure CSR. Parwati & Dewi Research (2021) states that gender diversity has extraordinary effect on liabilities social services in the mining business indexed on the IDX is different from the results research by Nanda & Rismayanti (2019) stated that gender diversity negative effect on disclosure corporate social responsibility. Tiny thing can be interpreted that the existence of members certain percentage of female directors has not been able to influence disclosure corporate responsibility.

Another factor is Slack Resources is an actual resource as well excess company-owned potential and excess of these resources can be utilized in adapting to internal pressure as well as external pressure experienced by the company Borgeios (1981) in journal Mahalistianingsih (2021). The magnitude CSR disclosure of a company will affected by slack resources where companies with slack resources the more the greater the opportunity for take advantage of these advantages, for example the utilization that can be done is through the implementation of CSR (Sayekti, 2017). By Therefore, with the existence of widely available resources, the company can allocate more funds so CSR disclosure could be wider. Study Anggraeni & Djakman (2017) show that slack resources have a positive effect on CSR disclosure meanwhile Mahalistianingsih research (2021) declared the slack resources variable separately partial has no effect on CSR disclosure to the goods industry consumption listed on the IDX in 2017-2019.

LITERATURE STUDY

Resources Based Theory

Resources Based Theory is a theory that explains the company's performance will be optimal if the company has a competitive advantage so that it can explain the value for the company. This resource-based view is useful for providing an understanding of company involvement in CSR disclosure activities (Sugiarti, 2020). This theory pays attention to how the company's ability to compete in developing its resources so that it can maintain its company in the long term. The existence of slack resources can determine the direction of policies that will be determined by the company because of the essence of these sources. This resource-based view is useful for providing an understanding of the company's involvement in activities and CSR disclosure.

Feminist Ethical Theory

Feminist ethical theory is a theory that focuses on (socialist) relationships in carrying out a task. Therefore, having women in the board structure will create a better working atmosphere. Some research literature on gender and CSR according to Panwar (2010) explains that women and men have different views on CSR and women in the accounting field are more intolerant of academic mistakes than men. The existence of the glass ceiling phenomenon has become one of the main topics behind the emergence of the issue of gender diversification. This condition brings



something that is not profitable for women, where women who have potential due to patriarchal culture do not have the right to exist in all aspects of life so they have less opportunity to take part in the public sphere. This phenomenon says that there are obstacles for minority groups (women) to reach top level management in the organizational structure even though based on their abilities they have met the criteria (Napitu & Siregar, 2021).

Corporate Social Responsibility Disclosure

Disclosure of CSR carried out by companies aims to show evidence of information if the company actually carries out CSR activities in the context of caring for and participating in activities that aim to increase positive impact on the surrounding community (Prastiwi & Wiratno, 2021). Herizona & Yuliana (2020) stated that organizations that are only oriented towards achieving maximum profit will eventually be eliminated because they limit other achievements such as social and environmental welfare. The background why disclosure is needed is so that investors can make the right decision in making investment decisions.

Gender Diversity and Disclosure of Corporate Social Responsibility

Machold et al. (2008) revealed that based on feminist ethical theory with CSR disclosure, female figures have different views in expressing opinions so that it can influence the policies that will be set, including policies on CSR disclosure so that it is very likely that if there are women in the board structure as members, the company will make CSR more informative. This states that CSR management will be better if it is held by women because the level of concern for social and environmental issues is higher when compared to men. So the more female members of the board of directors and commissioners, the higher the CSR disclosure of a company.

Slack Resources and Disclosure of Corporate Social Responsibility

The view of resources-based theory explains that CSR disclosure is one of the company's ways to create good relations with stakeholders (stakeholders). Companies with high slack resources are expected to be able to disclose CSR better. This is because these companies have more resources that can be invested in CSR activities compared to companies with little or no slack resources. The existence of extra resources can provide freedom for companies to choose various strategic policies so that they will tend to disclose higher quality CSR information.

METHOD

Population and Sample

The population used in this research is a mining company which are listed on the Indonesia Stock Exchange (IDX) in 2016-2020. For get a representative sample and according to what is required in research, then the sample selection is done with purposive sampling technique, ie the population used as a sample is that meet the following criteria: (1) Mining company registered in Indonesia Stock Exchange 2016-2020; (2) Mining companies that don't have an annual report; (3) Mining companies that don't disclose CSR in the anual report; (4) Companies that do not have complete data based on the variables studied.

The type of data used in this research is secondary data. Data secondary obtained from the annual report published and taken from the Indonesian Stock Exchange website.

Dependent Variable

The independent variables in this study are disclosure of corporate social responsibility (CSR). The indicators used in CSR disclosure variable is Global Fourth generation Reporting Initiative (GRI). (G4). Where CSR is calculated using dichotomous approach each indicator in CSR is used as a measurement given a value of 0 if not disclosed and given a value of 1 if disclosed. According to Wulolo et al (2017) measurement formula disclosure of corporate social responsibility (CSRDi) is as follows:



$$CSRDi = \frac{\sum X_{yi}}{n_i}$$

Description:

- CSRDi = Corporate disclosure index corporate social responsibility i
- $\sum X_{yi}$ = Value 1 if item y is disclosed, 0 if item y is not disclosed
- n_i = Number of items for Company i, $n_i \leq 91$ item

Independent Variable

Gender Diversity

Gender diversity is diversity that focuses on the presence of female members of the board of commissioners and directors in a company (Yumna, 2018). Gender diversity is measured using a comparison of the proportion of the proportion of female commissioners and directors. According to Rahidayanti, et al (2015) the measurement of gender diversity is as follows:

$$GD = \frac{\text{the number of female members of the board of commissioners and directors}}{\text{the number of members of the board of commissioners and directors}} \times 100\%$$

Slack Resources

Slack resources are defined as the suspension of resources that the company will use to deal with conditions of internal pressure and external pressure (Bourgeois, 1981) in journals (Yuanita & Muslih, 2019). According to Anggraeni & Djakman (2017) the measurement of slack resources is as follows:

$$Ln = \text{total cash and cash equivalents}$$

The data analysis technique for testing this hypothesis uses a robust linear regression method. The following is the equation of the robust linear regression method to test the hypothesis as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Description:

- Y = CSR Disclosure
- a = Constant
- X1 = Gender Diversity
- X2 = Slack Resources
- b1 = Regression coefficient of gender diversity
- b2 = Regression coefficient of slack resources
- e = Errors

RESULTS AND DISCUSSION

Table 1. Descriptive Statistics

	CSR	GD	SR
Mean	0.440973	12.07182	17.70045
Median	0.450549	11.11111	17.72743
Maximum	0.648352	33.33333	25.37542
Minimum	0.241758	0.000000	11.97797
Std.Dev	0.097051	7.981883	3.949327
Skewness	-0.022562	0.470374	0.483993
Kurtosis	2.253823	2.941315	2.341207

Source: Output Eviews 12,2022

Based on table 1, the CSR disclosure variable has an mean of 0.440973 and a median of 0.450549 while the standard deviation value is 0.097051. The maximum CSR value is 0.648352 and the minimum value is 0.241758. The gender diversity variable has a mean of 12.07182 and a





median of 11.11111 while the standard deviation value is 7.981883. For the maximum value of gender diversity is 33.33333 and the minimum value is 0.000000. The slack resources variable has a mean of 17.70045 and a median of 17.72743 while the standard deviation value is 3.949327. The maximum value of slack resources is 25.37542 and the minimum value of slack resources is 11.97797.

Due to the classic assumption test that does not meet the requirements, including the autocorrelation test and the heteroscedasticity test, the data is not normally distributed or there are several outliers that affect the classic assumption test. Outlier is an observation that is far from most of the data. To overcome the problem of classical assumption test, namely by using robust regression. Robust regression is one of the calculations to analyze data contaminated with outliers. There are several estimates in robust regression including M-estimation, S-estimation and MM-estimation. These estimates are used to handle outliers and provide stable (fixed) results in the presence of outliers. For this data using robust regression with M-estimation (Chen, 2002).

Table 2. Regression Robust

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.572447	0.051768	11.05785	0.0000
GD	0.004336	0.001536	2.821793	0.0048
SR	0.004512	0.003105	1.453091	0.1462
Robust Statistics				
R-squared	0.189119	Adjusted R-squared		0.164913
Rw-squared	0.225520	Adjusted Rw-squared		0.225520
Akaike info criterion	49.01048	Schwarz criterion		57.90575
Deviance	0.481761	Scale		0.103285
Rn-squared statistic	15.83041	Prob(Rn-squared stat.)		0.000365
Non-robust Statistics				
Mean dependent var	0.440973	S.D. dependent var		0.097051
S.E. of regression	0.087745	Sum squared resid		0.515850

Source: Output Eviews 12,2022

Based on the results of the robust linear regression in table 2, the robust linear regression equation is obtained as follows:

$$CSR = 0,572447 - 0,004336 GD - 0,004512 SR$$

If the effectiveness of Gender Diversity (GD), Slack Resources (SR) is assumed to be constant, the resulting Disclosure of Corporate Social Responsibility (CSR) is 0.572447. The regression coefficient for the gender diversity (GD) variable is -0.004336. This shows that disclosure of corporate social responsibility (CSR) will decrease by 0.004336 for each aspect of gender diversity measurement or vice versa. The regression coefficient for the slack resources (SR) variable is -0.004512. This indicates that the disclosure of corporate social responsibility (CSR) will decrease by 0.004336 for each aspect of slack resources measurement or vice versa.

T Test

Table 3. T Test

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.572447	0.051768	11.05785	0.0000
GD	0.004336	0.001536	2.821793	0.0048
SR	0.004512	0.003105	1.453091	0.1462

Source: Output Eviews 12,2022



The probability value of the gender diversity (GD) variable is 0.0048, which means that the value is < 0.05 . These results indicate that gender diversity (GD) has an influence on the disclosure of corporate social responsibility (CSR). While the probability value of slack resources (SR) is 0.1462 which means > 0.05 . These results indicate that slack resources (SR) have no effect on disclosure of corporate social responsibility (CSR).

F Test

Based on table 2, the robust regression results show a Prob.(Rn-Squared Stated) value of 0.000365. So that the value of Prob.(Rn-Squared Stated) $0.000365 < 0.05$ this shows that the simultaneous regression of gender diversity and slack resources together affect the disclosure of corporate social responsibility as the dependent variable.

Test the coefficient of determination (R^2)

Based on table 2, the robust regression results show that the Adjust R²-Squared value is 0.2255 or 22.55%. This shows that gender diversity (GD), slack resources (SR) can explain the effect on disclosure of corporate social responsibility (CSR) of 22.55%. While the remaining 77.45% is explained by other factors outside the variables studied.

The Effect of Gender Diversity on CSR Disclosure

Based on the results of the hypothesis in table 2 that gender diversity has a probability of $0.0048 < 0.05$ with a regression coefficient of -0.004336 . This means that with an increase of 1 member the proportion of women in the directors and commissioners will reduce the disclosure of corporate social responsibility by 0.004336. These results indicate that gender diversity has a negative effect on disclosure of corporate social responsibility (CSR). Based on the Feminist Ethical theory which states that the presence of women in the board structure will create a better working atmosphere, it is not necessarily due to the company's board of directors and commissioners, in disclosing CSR, the presence of female directors and commissioners in a certain percentage has not been able to influence the disclosure of corporate social responsibility in the mining sector. where the majority is controlled by men in top level management positions in companies where patriarchal culture is still dominant in the board structure of mining companies. This shows that the presence of women on the board of directors is still relatively small (a minority) in mining companies so that they do not have majority voting rights in determining decisions taken regarding the disclosure of corporate social responsibility in mining companies. The results of this study are in line with the results of research by Nanda & Rismayanti (2019).

The Effect of Slack Resources on CSR Disclosure

Based on the results of the hypothesis in table 2 that the slack resources variable has no effect on the disclosure of corporate social responsibility (CSR) with a probability of $0.1462 < 0.05$. The results of this study state that the high or low cash and cash equivalents in a company will not determine the company's corporate social responsibility disclosure. This is compared to the Resources Based Theory where this theory explains that the company's performance will be optimal if the company has a competitive advantage. And the competitive advantage is obtained by utilizing and managing the resources owned by the company. Where high slack resources do not guarantee disclosure of corporate social responsibility (CSR). In addition, companies engaged in the natural resource industry such as mining companies are required to disclose corporate social responsibility in accordance with Law Number 40 of 2007 concerning Limited Liability Companies so that even if there are companies that have excess slack resources or do not have slack resources, the company must still carry out corporate social responsibility disclosures so as not to violate existing laws and regulations and not be subject to sanctions for these violations. The findings in this study are in line with the research of Yuanita & Muslih (2019) and Mahalitarianingsih (2021) which states that slack resources have no effect on the disclosure of corporate social responsibility in mining companies.



CONCLUSION

Based on the results of the research that has been done, the following conclusions can be drawn: First, gender diversity has a negative effect on disclosure of corporate social responsibility (CSR) in mining companies listed on the Indonesia Stock Exchange in 2016-2020. The two slack resources have no effect on the disclosure of Corporate Social Responsibility (CSR) in mining companies listed on the Indonesia Stock Exchange in 2016-2020. The following are suggestions that can be considered for future researchers, namely: For further research by adding other variables such as company size, public ownership and further research it is hoped that it can expand other sectors not only in the mining sector but can cover all companies listed on the Indonesia Stock Exchange (IDX) such as pharmaceutical, cosmetic, chemical, and banking companies.

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