

CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

This research examines the influence of level of voluntary disclosure of CSR towards the earnings quality. This research is use 14 mining companies listed in IDX during period 2012-2014 (42 total samples). This research finding that level of voluntary disclosure of CSR significantly influences earnings quality measured by discretionary accruals, thus H_a is accepted. Based on the hypothesis testing, the value of coefficient of CSR indicating the amount of influence of CSR to earnings quality proxied by discretionary accruals of earnings management.

5.2 Research Limitation and Suggestion

This research has limitation in observation period. The observation period is 3 years (2012-2014). The observation period cannot be lengthened backward; it is cause by the regulation from BAPEPAM-LK for CSR disclosure items just issued by year 2012. That is why the total sample of this research only 42 samples. Suggestions for future research is to use more data, with the broad criteria thus research has quite a lot of samples and provide an overview of the impact closer to reality.

Research limitation also comes from the proxy of earnings quality. This research only uses discretionary accruals of earnings management as the proxy of earnings quality. Suggestion for future research is to use more proxy of earnings quality, such as real active manipulation of earnings management or earnings response coefficient.

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APPENDIX I

List Items of Voluntary Disclosure of Corporate Social Responsibility

GRI 3.1 ITEMS		Description
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	
EC3	Coverage of the organization's defined benefit plan obligations.	
EC4	Significant financial assistance received from government.	
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	
EC7	Procedures for local hiring and proportion of senior management hired from the local	

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	community at locations of significant operation.	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	
EN1	Materials used by weight or volume.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
EN2	Percentage of materials used that are recycled input materials.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
EN3	Direct energy consumption by primary energy source.	
EN4	Indirect energy consumption by primary source.	
EN5	Energy saved due to conservation and efficiency improvements.	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	
EN7	Initiatives to reduce indirect energy consumption	

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	and reductions achieved.	
EN8	Total water withdrawal by source.	
EN9	Water sources significantly affected by withdrawal of water.	
EN10	Percentage and total volume of water recycled and reused.	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	
EN13	Habitats protected or restored.	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	
EN16	Total direct and indirect greenhouse gas emissions by weight.	
EN17	Other relevant indirect greenhouse gas emissions by weight.	
EN18	Initiatives to reduce greenhouse gas emissions and	

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	reductions achieved.	
EN19	Emissions of ozone-depleting substances by weight.	
EN20	NO, SO, and other significant air emissions by type and weight.	
EN21	Total water discharge by quality and destination.	
EN22	Total weight of waste by type and disposal method.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
EN23	Total number and volume of significant spills.	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	

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EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	
EN30	Total environmental protection expenditures and investments by type.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	
LA15	Return to work and retention rates after parental leave, by gender.	
LA4	Percentage of employees covered by collective bargaining agreements.	

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LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
LA9	Health and safety topics covered in formal agreements with trade unions.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
LA10	Average hours of training per year per employee by gender, and by employee category.	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	
LA12	Percentage of employees receiving regular	

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	performance and career development reviews, by gender.	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	
HR4	Total number of incidents of discrimination and corrective actions taken.	
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association	

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	and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	

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SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
SO9	Operations with significant potential or actual negative impacts on local communities.	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	
SO2	Percentage and total number of business units analyzed for risks related to corruption.	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	
SO4	Actions taken in response to incidents of corruption.	
SO5	Public policy positions and participation in public policy development and lobbying.	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for	


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	noncompliance with laws and regulations.	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Mandatory in (BAPEPAM-LK) No. KEP-431/BL/2012
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising,	

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	promotion, and sponsorship.	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	
Total Remains Items of Voluntary Disclosure		72

Description:

 = Items that deducted from GRI list because the item already regulated as mandatory to disclosed by regulation No. X.K.6 of Decision of the Chairman of Capital Market and Financial Institution Supervisory Body (BAPEPAM-LK) No. KEP-431/BL/2012.

APPENDIX II

List Items of Mandatory Disclosure of Corporate Social Responsibility from

(BAPEPAM-LK) No.KEP-431/BL/2012

Point 2.h.1

Discussion regarding corporate social responsibility including policy, type of program, costs incurred based on BAPEPAM-LK. Description includes:

1. Environment, such as the use of materials and friendly environmental energy and could be recycle, company's waste management system, certification in environment, etc
2. Employment practice, occupational safety and health, such as the equality of gender and work opportunity, facilities and safety, employee's turnover rate, work incident rate, training, etc
3. Social and community development, such as the use of local worker, community empowerment around companies, improvement of social infrastructure, other form of donations, etc and
4. Products responsibility, such as consumer safety and health, products information, infrastructure, the amount and countermeasures of consumer's complaints, etc.

APPENDIX III

List of Mining Companies 2012-2014

NO.	IDX CODE	COMPANY NAME
1.	ANTM	PT. Aneka Tambang, Tbk
2.	ATPK	PT. ATPK Resources, Tbk
3.	CITA	PT. Cita Mineral Investindo, Tbk
4.	CKRA	PT. Cakra Mineral, Tbk
5.	CTTH	PT. Citatah, Tbk
6.	DKFT	PT. Central Omega Resources, Tbk
7.	ELSA	PT. Elnusa, Tbk
8.	GEMS	PT. Golden Energy Mines, Tbk
9.	MITI	PT. Mitra Investindo, Tbk
10.	MYOH	PT. Samindo Resources, Tbk
11.	PTBA	PT. Tambang Batubara Bukit Asam, Tbk
12.	RUIS	PT. Radiant Utama Interinsco, Tbk
13.	SMMT	PT. Golden Eagle Energy, Tbk
14.	TINS	PT. Timah, Tbk

APPENDIX IV

Test Results for the New Model

4.1 Result of White Heteroscedasticity Test

White Heteroskedasticity Test:

F-statistic	0.279861	Probability	0.921123
Obs*R-squared	1.571442	Probability	0.904681

Test Equation:

Dependent Variable: RESID^2

Method: Least Squares

Date: 10/18/15 Time: 15:49

Sample: 1 42

Included observations: 42

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.002019	0.002035	0.992183	0.3277
CSR	0.009418	0.014630	0.643744	0.5238
CSR^2	-0.007640	0.013966	-0.547062	0.5877
CSR*OCFTAR	-0.024035	0.024748	-0.971212	0.3379
OCFTAR	0.001796	0.010385	0.172918	0.8637
OCFTAR^2	0.033674	0.065979	0.510378	0.6129
R-squared	0.037415	Mean dependent var		0.003352
Adjusted R-squared	-0.096277	S.D. dependent var		0.004848
S.E. of regression	0.005076	Akaike info criterion		-7.597217
Sum squared resid	0.000927	Schwarz criterion		-7.348979
Log likelihood	165.5416	F-statistic		0.279861
Durbin-Watson stat	2.129434	Prob(F-statistic)		0.921123

The probability value of Obs*R-squared > 0.05, $0.904 < 0.05$, it means that this model does not has heteroskedasticity problem.

4.2 Result of Breusch-Godfrey Test (Autocorrelation)

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.036399	Probability	0.964290
Obs*R-squared	0.082473	Probability	0.959602

Test Equation:

Dependent Variable: RESID

Method: Least Squares

Date: 10/18/15 Time: 15:46

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.000301	0.012734	-0.023665	0.9812
CSR	0.001269	0.037073	0.034222	0.9729
OCFTAR	-0.002075	0.092015	-0.022552	0.9821

RESID(-1)	-0.035809	0.171510	-0.208790	0.8358
RESID(-2)	-0.029232	0.171266	-0.170683	0.8654
R-squared	0.001964	Mean dependent var	-3.57E-17	
Adjusted R-squared	-0.105932	S.D. dependent var	0.058599	
S.E. of regression	0.061625	Akaike info criterion	-2.624164	
Sum squared resid	0.140511	Schwarz criterion	-2.417299	
Log likelihood	60.10745	F-statistic	0.018199	
Durbin-Watson stat	1.968538	Prob(F-statistic)	0.999320	

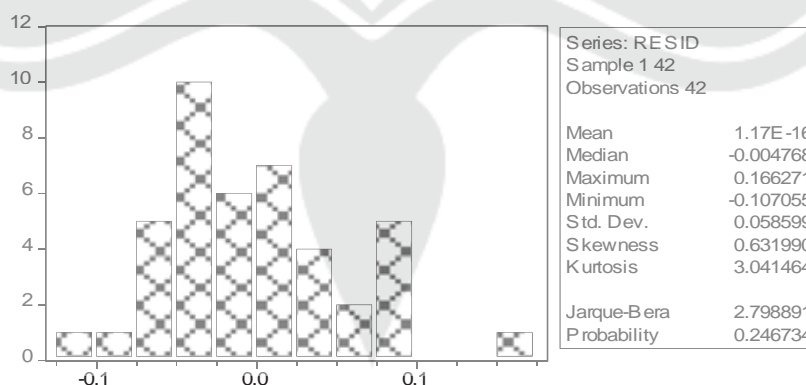
The probability value of Obs*R-squared is greater than 0.05, which is 0.9596 > 0.05. It means that there is no autocorrelation problem in the data of this research

4.3 Result of Multicollinearity Test

	ABS_DAC	CSR	OCFTAR
ABS_DAC	1.000000		
CSR	0.369333	1.000000	
OCFTAR	0.171105	0.218884	1.000000

From table above, it can be seen that there is no multicollinearity problem in the data of this research because the value of the correlation matrix of all the variables are < 80%.

4.4 Result of Normality Test



The probability value is greater than 0.05 which is 0.2467. Thus, data in this research is normally distributed.

APPENDIX V

List of Data Collection for Regression

No.	Company	ABS_DAC	CSR	SIZE	ROA	DER	OCFTAR
1	ANTM'12	0.1465	0.99	31	0.1519	0.5359	0.05
2	ATPK	0.0684	0.07	26	-0.1110	2.4417	-0.19
3	CITA	0.1552	0.07	28	0.1200	0.7350	0.24
4	CKRA	0.0077	0.06	28	-0.0033	0.0344	0.00
5	CTTH	0.0968	0.11	26	0.0106	2.3198	0.04
6	DKFT	0.0966	0.14	28	0.1976	0.1076	0.15
7	ELSA	0.1268	0.24	29	0.0316	1.1029	0.13
8	GEMS	0.1597	0.13	29	0.0520	0.1857	-0.14
9	MITI	0.0475	0.04	26	0.1487	0.5667	0.15
10	MYOH	0.1723	0.11	28	0.0280	3.7687	0.12
11	PTBA	0.1153	0.99	30	0.2286	0.4966	0.17
12	RUIS	0.0333	0.08	28	0.0246	3.9449	-0.06
13	SMMT	0.1000	0.10	27	0.0298	0.0766	-0.01
14	TINS	0.1585	1.00	29	0.0707	0.3385	0.24
15	ANTM'13	0.0788	0.46	31	0.0187	0.7091	0.01
16	ATPK	0.0228	0.07	28	0.0088	0.3283	-0.14
17	CITA	0.0785	0.06	29	0.1820	0.7984	0.13
18	CKRA	0.0115	0.08	28	0.0002	0.0075	-0.02
19	CTTH	0.0904	0.15	27	0.0015	3.1264	0.02
20	DKFT	0.1539	0.14	28	0.2114	0.0977	0.11
21	ELSA	0.1311	0.18	29	0.0555	0.9128	0.17
22	GEMS	0.0322	0.13	29	0.0423	0.3548	0.05
23	MITI	0.0423	0.13	26	0.1401	0.4072	0.16
24	MYOH	0.0028	0.13	28	0.0957	1.3213	0.02
25	PTBA	0.0044	0.46	30	0.1588	0.5463	0.18
26	RUIS	0.1114	0.10	28	0.0232	3.8795	0.08
27	SMMT	0.0843	0.10	27	0.0309	0.3499	-0.05
28	TINS	0.2337	0.97	30	0.0653	0.6114	-0.10
29	ANTM'14	0.1185	0.43	31	-0.0352	0.8479	0.02
30	ATPK	0.0401	0.07	28	0.0295	0.5295	-0.09
31	CITA	0.0177	0.06	29	-0.1379	0.6964	-0.08
32	CKRA	0.2362	0.08	28	-0.2723	0.0164	-0.01
33	CTTH	0.0309	0.15	27	0.0028	3.5614	-0.06
34	DKFT	0.0119	0.14	28	-0.0388	0.0502	-0.03
35	ELSA	0.0202	0.40	29	0.0985	0.6437	0.10

List of Data Collection for Regression

36	GEMS	0.0265	0.13	29	0.0341	0.2730	0.02
37	MITI	0.0660	0.11	27	0.0210	0.3247	0.03
38	MYOH	0.1627	0.14	28	0.1321	1.0244	0.22
39	PTBA	0.0112	0.11	30	0.1363	0.7083	0.13
40	RUIS	0.0638	0.10	28	0.0441	3.0702	0.05
41	SMMT	0.0284	0.10	27	-0.0048	0.5823	-0.05
42	TINS	0.1559	0.17	30	0.0654	0.7390	-0.07

