

Governance and Sustainability: The Effects of Ownership, CEO Tenure, and Gender Diversity on CSR Disclosure

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ABSTRACT

This study examines the influence of foreign ownership, CEO tenure, and ownership concentration on corporate social responsibility (CSR) disclosure, with board gender diversity as a moderating variable, in energy sector companies listed on the Indonesia Stock Exchange (IDX) during 2019–2023. Using a quantitative associative approach, data were collected from 47 purposively sampled companies. CSR disclosure was measured using the CSR Disclosure Index (CSRDI) based on the Global Reporting Initiative (GRI) Standards 2021, while ownership structure and managerial characteristics were measured through secondary data obtained from annual and sustainability reports. Data analysis employed Structural Equation Modeling (SEM) with WarpPLS 7.0 to test the research hypotheses. The results reveal that foreign ownership and ownership concentration have significant positive effects on CSR disclosure, whereas CEO tenure has a significant negative effect. Interestingly, board gender diversity does not significantly moderate the relationships between ownership structure, CEO tenure, and CSR disclosure. These findings contribute to the development of legitimacy theory and stakeholder theory by showing how ownership and leadership characteristics influence disclosure practices in emerging markets. Practically, the study provides implications for regulators and companies in Indonesia to strengthen sustainability governance, improve CSR reporting quality, and encourage meaningful board diversity.

Keywords: Foreign ownership; CEO tenure; Ownership concentration; Board gender diversity; CSR disclosure.

INTRODUCTION

In the era of globalization, companies are increasingly required not only to maximize profits but also to demonstrate responsibility toward environmental preservation and social welfare. This shift reflects the growing recognition that financial performance alone is insufficient to guarantee sustainable growth if it is not accompanied by social and environmental accountability. Conventional financial reporting has often been criticized for its inability to integrate non-financial information, such as ethical practices, environmental stewardship, and community engagement. This gap has strengthened the relevance of corporate social responsibility (CSR) disclosure as an essential mechanism to enhance transparency, accountability, and corporate legitimacy in the eyes of diverse stakeholders (Asmeri et al., 2015; Helmina et al., 2019).

The energy sector, as a vital driver of Indonesia's economy, faces particular scrutiny due to its large-scale operations and significant contribution to greenhouse gas

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(GHG) emissions. According to the Ministry of Energy and Mineral Resources (ESDM), more than 40% of Indonesia's GHG emissions originate from fossil fuel combustion, especially coal, oil, and natural gas (R. D. P. Sari et al., 2022). This situation highlights the urgent need for energy companies to adopt sustainability-oriented practices and disclose their CSR initiatives comprehensively. Legitimacy theory suggests that CSR disclosure serves as a tool for companies to secure social approval, while stakeholder theory emphasizes the necessity of addressing the expectations of employees, customers, governments, and local communities. Together, these perspectives provide a comprehensive framework for analyzing CSR practices in the energy sector.

In Indonesia, CSR obligations are reinforced by a robust legal framework. Law No. 40 of 2007 on Limited Liability Companies requires resource-related firms to undertake social and environmental responsibilities. This provision is further detailed in Government Regulation No. 47 of 2012, which emphasizes that CSR is a mandatory obligation. Similarly, Law No. 25 of 2007 on Investment obliges investors to implement CSR and preserve the environment, with Article 34 stipulating sanctions for non-compliance. Additionally, Law No. 21 of 2014 on Geothermal Energy underscores community rights to benefit from geothermal exploitation, mandating CSR and community development programs. The existence of these overlapping regulations reflects the Indonesian government's strong commitment to embedding sustainability into corporate governance. Failure to comply not only results in legal sanctions but also jeopardizes corporate reputation, investor confidence, and long-term viability. To enhance comparability and international credibility, many firms have also begun adopting the Global Reporting Initiative (GRI) standards in their sustainability reporting (Giannarakis et al., 2023).

A preliminary study of five energy firms listed on the Indonesia Stock Exchange (IDX) in 2021 illustrates significant variation in CSR disclosure. PT Adaro Energy Tbk leads with 61 disclosures, supported by a long CEO tenure, moderate ownership concentration, and board gender diversity. On the other hand, PT Mitra Energi Persada Tbk and PT Eksploitasi Energi Indonesia Tbk reported no CSR disclosure, reflecting the influence of limited foreign ownership, short CEO tenure, concentrated or weak ownership structures, and the absence of female directors. PT Adaro Energy Tbk's initiatives, such as the development of cultural tourism in Liyu Village, South

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Kalimantan, further illustrate how CSR programs can simultaneously support local culture, improve community welfare, and enhance corporate image (Nurdiana, 2024).

The determinants of CSR disclosure in the energy sector are multifaceted. Foreign ownership (FO) is often associated with greater pressure for transparency and compliance with international standards (Setiawan et al., 2021; Kabir & Thai, 2021), although some studies report contradictory findings, suggesting that FO can also lead to weaker disclosure in certain contexts (Chen, 2019; Yunaida & Lestari, 2020; Widyastari & Sari, 2018). CEO tenure plays a crucial role, as longer-serving CEOs tend to prioritize long-term strategies, including CSR (Nurhalisa & Hernawati, 2023). However, other evidence suggests that extended tenures may reduce responsiveness to change or innovation, thereby weakening disclosure (Godos-Díez et al., 2020). Ownership concentration (OC) influences decision-making by empowering dominant shareholders, which may either enhance or hinder CSR depending on their priorities (Olanrewaju et al., 2020; Sunarsih, 2017; Ramadhan & Ermaya, 2023). Lastly, board gender diversity (BGD) contributes fresh perspectives, greater sensitivity to social and environmental issues, and enhanced board deliberations, which together improve CSR disclosure (Setó-Pamies, 2015; Manita et al., 2018; Nadeem et al., 2020; Shaheen et al., 2021).

Overall, this study underscores that CSR disclosure is not merely a compliance exercise but a strategic tool for building corporate legitimacy, strengthening long-term financial performance, and fostering positive stakeholder relationships. For the energy sector, which faces intense environmental and social scrutiny, transparent and consistent sustainability reporting is indispensable to securing public trust and maintaining competitiveness in the global market. Furthermore, the mixed findings in prior research open avenues for further studies, particularly regarding how the interaction of FO, CEO tenure, OC, and BGD shapes CSR disclosure in emerging markets such as Indonesia.

THEORETICAL BACKGROUND

Legitimacy Theory

Legitimacy theory posits that organizations continually seek to ensure that their activities are perceived as legitimate within the norms, values, and expectations of society (O'Donovan, 2002). CSR disclosure serves as a mechanism for firms to signal conformity

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with societal expectations. In environmentally sensitive industries such as energy, companies use CSR disclosure to secure legitimacy and maintain their license to operate.

Stakeholder Theory

Stakeholder theory emphasizes that firms are accountable not only to shareholders but also to employees, customers, regulators, communities, and the environment (Freeman, 1984; Khan, Muttakin, & Siddiqui, 2013). CSR disclosure is thus a communication tool to demonstrate responsiveness to stakeholder concerns. Energy firms, due to their extensive social and environmental footprints, face particularly high expectations from multiple stakeholders.

CSR Disclosure

CSR disclosure refers to the extent to which firms report economic, social, and environmental activities and impacts. The Global Reporting Initiative (GRI) Standards provide a global benchmark for CSR disclosure. In Indonesia, POJK 51/2017 requires listed firms to disclose CSR, yet compliance remains varied. Research shows CSR disclosure enhances legitimacy, reputation, and stakeholder trust (Gray, Owen, & Adams, 2001; Giannarakis, Konteos, & Sariannidis, 2023).

Foreign Ownership and CSR Disclosure

Foreign ownership is associated with higher transparency and alignment with international reporting practices. Studies in Indonesia (Setiawan, Phan, & Darmawan, 2021) and China (Wang, Song, & Yao, 2021) found that foreign investors positively influence CSR disclosure. However, some studies note that foreign investors may prioritize returns over sustainability in weak regulatory contexts (Reverte, 2009).

H1: Foreign ownership positively influences CSR disclosure.

CEO Tenure and CSR Disclosure

CEO tenure reflects the stability of leadership within a firm. Longer tenure may enable long-term CSR strategies (Li, Wang, & Wang, 2021). Conversely, prolonged tenure can result in entrenchment and less responsiveness to stakeholder demands (Agustina & Sudibyoy, 2022). The evidence remains inconclusive, with studies showing both positive and negative effects.

H2: CEO tenure positively influences CSR disclosure.

Ownership Concentration and CSR Disclosure

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Ownership concentration refers to the shareholding dominance of the largest shareholders. Concentrated ownership may encourage disclosure through stronger monitoring (Buerthey, 2021), but it can also reduce transparency if controlling shareholders prioritize private benefits (Prado-Lorenzo et al., 2009).

H3: Ownership concentration positively influences CSR disclosure.

Board Gender Diversity as a Moderator

Board gender diversity (BGD) measures the proportion of women on a company's board. Gender-diverse boards can strengthen oversight, ethical standards, and attention to social issues (Post, Rahman, & Rubow, 2011; Rao & Tilt, 2016). However, in contexts like Indonesia where female representation is limited, the influence of women directors may be more symbolic than substantive.

H4: Board gender diversity moderates the effect of foreign ownership on CSR disclosure.

H5: Board gender diversity moderates the effect of CEO tenure on CSR disclosure.

H6: Board gender diversity moderates the effect of ownership concentration on CSR disclosure.

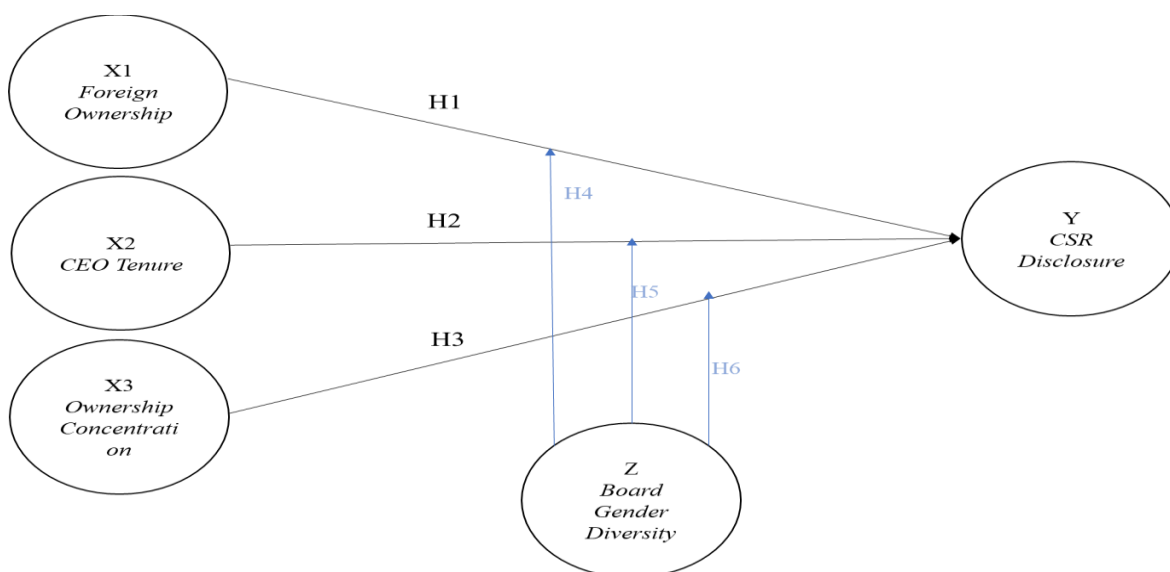


Figure 1. Research Model

METHOD, DATA AND ANALYSIS

This study employs a quantitative research design with an associative approach to examine the relationships between ownership structure, CEO tenure, board gender diversity, and corporate social responsibility (CSR) disclosure in energy companies listed

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on the Indonesia Stock Exchange (IDX). The quantitative design was chosen because it allows for the measurement of causal relationships between variables and the testing of hypotheses through statistical analysis.

Population and Sample

The research population includes all energy sector companies listed on the IDX between 2019 and 2023. This sector was selected because of its significant environmental and social impacts, as well as its strategic role in supporting Indonesia's economic growth. Using purposive sampling, a total of 47 companies met the research criteria: (1) companies continuously listed on the IDX during the observation period, (2) companies that published complete annual reports and/or sustainability reports, and (3) companies disclosing ownership and board composition data.

Data Collection

The study relies on secondary data obtained from company annual reports and sustainability reports published on the IDX official website and individual company websites. These reports provide consistent and verifiable data on financial performance, governance, ownership structure, and CSR disclosure.

Operational Definitions of Variables

CSR Disclosure (Dependent Variable): Measured using the CSR Disclosure Index (CSRDI) based on the Global Reporting Initiative (GRI) Standards 2021. The index covers economic, social, and environmental dimensions, with each disclosure item scored 1 if disclosed and 0 if not. The total disclosure score is divided by the maximum possible score to generate the CSRDI.

Foreign Ownership (Independent Variable 1): Measured by the percentage of company shares held by foreign investors at the end of each fiscal year. CEO Tenure (Independent Variable 2): Measured by the length of the CEO's service in months from the time of appointment until the end of the fiscal year under observation. Ownership Concentration (Independent Variable 3): Measured by the percentage of shares held by the largest single shareholder, reflecting the level of concentrated control within the firm. Board Gender Diversity (Moderating Variable): Measured by the proportion of female directors to the total number of directors on the company's board.

Data Analysis Technique

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The study applies Structural Equation Modeling (SEM) using WarpPLS 7.0 to test the hypothesized relationships. SEM is appropriate for this study because it simultaneously examines multiple dependent and independent variables, accounts for measurement errors, and tests moderating effects. WarpPLS was chosen over SmartPLS and AMOS due to its ability to handle complex non-linear relationships, provide model fit indices such as R^2 , Q^2 , and GoF, and deliver robust results in small-to-moderate sample sizes.

The analysis proceeded through several stages:

- 1.Descriptive Statistics , summarizing the distribution of CSRDI, ownership, CEO tenure, and board composition across companies.
- 2.Outer Model Testing, assessing reliability and validity of the measurement model through composite reliability, average variance extracted (AVE), and Cronbach's alpha.
- 3.Inner Model Testing, evaluating the structural relationships among variables using path coefficients, p-values, and effect sizes (f^2).
- 4.Model Fit and Predictive Relevance, assessing the explanatory and predictive power of the model using R^2 , Q^2 , and Goodness-of-Fit (GoF) indices.

The significance level was set at 5% ($\alpha = 0.05$), with p-values below this threshold indicating statistically significant relationships. The findings from the WarpPLS analysis are reported in the results section.

RESULTS

The descriptive analysis of the sample shows considerable variation in CSR disclosure among Indonesian energy companies between 2019 and 2023. Some companies, such as Adaro Energy Tbk, reported comprehensive sustainability disclosures aligned with GRI Standards, while several others provided limited or no CSR-related information. The CSR Disclosure Index (CSRDI) scores ranged from 0 to 0.85, indicating substantial heterogeneity in reporting practices.

Foreign ownership levels across the sample ranged from less than 5% to more than 60%, reflecting different levels of international investor involvement. CEO tenure also varied significantly, with some firms led by newly appointed CEOs and others by

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long-serving executives exceeding ten years in office. Ownership concentration was generally high in the energy sector, with controlling shareholders frequently holding more than 40% of outstanding shares. Board gender diversity remained low, with most companies having only one female director or none, resulting in an average representation below 15%.

Measurement Model (Outer Model)

Based on their nature, all indicators in this study are formative indicators, which serve to define the construct or variable. Formative indicators carry distinct content, making each indicator unique and non-interchangeable. Therefore, eliminating one of the formative indicators can be problematic as it may alter the essence of the construct (Sholihin & Ratmono, 2021). The indicator weight must be statistically significant, and the closer the indicator weight is to 1.00, the better it reflects its contribution to the formation of the variable.

Table 1: Collinearity Statistics and Validity Test Results (Outer Model)

	FO	CEOT	OC	BGD	CSRD	P value	VIF	Evaluation
X1	1.000	0.000	0.000	0.000	0.000	<0.001	0.000	Valid
X2	0.000	1.000	0.000	0.000	0.000	<0.001	0.000	Valid
X3	0.000	0.000	1.000	0.000	0.000	<0.001	0.000	Valid
Z	0.000	0.000	0.000	1.000	0.000	<0.001	0.000	Valid
Y	0.000	0.000	0.000	0.000	1.000	<0.001	0.000	Valid

Based on the criteria outlined earlier, the feasibility of each indicator can be evaluated as follows. The FO indicator (X1) has a weight of 1.000, a P Value of 0.001 (<0.05), and a VIF of 0.000 (<3.3), which indicates feasibility. The CEOT indicator (X2) has a weight of 1.000, a P Value of 0.001 (<0.05), and a VIF of 0.000 (<3.3), which indicates feasibility. The OC indicator (X3) has a weight of 1.000, a P Value of 0.001 (<0.05), and a VIF of 0.000 (<3.3), which indicates feasibility. The BGD indicator (Z) has a weight of 1.000, a P Value of 0.001 (<0.05), and a VIF of 0.000 (<3.3), which indicates feasibility. Lastly, the CSRD indicator (Y) has a weight of 1.000, a P Value of 0.001 (<0.05), and a VIF of 0.000 (<3.3), which indicates feasibility.

Multicollinearity: The Variance Inflation Factor (VIF) is less than 3.3 (Hair Jr, J. F. et al., 2014). Multicollinearity indicates the presence of strong correlations among

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variables, which may compromise the independence of each variable. The assessment of multicollinearity is conducted using the correlation values between variables. The results show that the correlations among variables (values other than those on the diagonal) in the model remain low, with correlation values ranging from -0.000 to 0.000. These correlation values are far below +0.90, indicating that there is no multicollinearity problem among the research variables.

Goodness of Fit (GoF) Test

The model fit and quality indices (Goodness of Fit) test is intended to determine the quality and adequacy of this research model, as a prerequisite for conducting subsequent analyses. The test results are presented in the output of the WarpPLS-SEM application, as shown in the table.

Table 2: Model Fit and Quality Indices of the PLS-SEM Model

Model Fit and Quality Indices	Indicator	Results	Quality
Average path coefficient	P<0,05	(APC)=0.125, P=0.013	Good
Average R-squared	P<0,05	(ARS)=0.185, P<0.001	Good
Average adjusted R-squared	P<0,05	(AARS)=0.164, P<0.001	Good
Average block VIF	Acceptable if ≤ 5 , Ideally $\leq 3,3$	(AVIF)=1.716	Ideal
Average full collinearity VIF	Acceptable if ≤ 5 , Ideally $\leq 3,3$	(AFVIF)=1.093	Ideal
Tenenhaus GoF	Small ≥ 0.1 , Medium ≥ 0.25 , Large ≥ 0.36	(GoF)=0.430	Large
Simpson's paradox ratio	acceptable if ≥ 0.7 , ideally = 1	(SPR)=0.667	Ideal
R-squared contribution ratio	acceptable if ≥ 0.9 , ideally = 1	(RSCR)=0.962	Ideal
Statistical suppression ratio	acceptable if ≥ 0.7	(SSR)=1.000	Ideal
Nonlinear bivariate causality direction ratio	acceptable if ≥ 0.7	(NLBCDR)=0.833	Ideal

Based on Table, it can be concluded that the three main quality criteria that determine the adequacy and fit of the model are: Average Path Coefficient (APC), Average R-Squared (ARS), Variance Inflation Factor (AVIF), and Average Full Variance Inflation Factor (AFVIF). The APC value = 0.125 with P = 0.013 (<0.05) indicates that the average path coefficient is significant at the 0.05 significance level. The ARS value = 0.185 with P = 0.001 (<0.05) also indicates significance at the 0.05 level. The AVIF =

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1.716 and $AFVIF = 1.093 (<3.3)$ show that the model is free from multicollinearity bias, as they meet the ideal threshold of being below 3.3.

Similarly, the model fit test using Tenenhaus GoF (Goodness of Fit) yields a value of 0.430 (>0.36), which falls into the large category. This indicates that the proposed model is supported by relevant and reliable data. The R-squared Contribution Ratio (RSCR) result is 0.962, which is acceptable when ≥ 0.9 and ideal at 1, indicating an ideal contribution ratio. Overall, the Fit and Quality Indices test results demonstrate that the proposed model is supported by relevant, valid, and reliable data

Structural Model (Inner Model)

The inner model analysis provided evidence of moderate explanatory power. The R^2 value for CSR disclosure was 0.18, indicating that foreign ownership, CEO tenure, and ownership concentration collectively explained 18% of the variance in CSR disclosure. The adjusted R^2 of 0.16 confirmed the stability of the model. The model also demonstrated predictive relevance, with a Q^2 value of 0.204, and a Goodness-of-Fit (GoF) index of 0.33, which indicates large model fit according to Wetzels, Odekerken-Schröder, and van Oppen (2009).

Table 3: Results of the R-Square and Effect Size

	R Square	R Square Adjusted
CSRDISC (Y)	0.185	0.164
	CSRD (Y)	Notes
FO (X1)	0.092	Big
CEOT (X2)	0.029	Middle
OC (X3)	0.067	Big
BGD (Z)	0.00	-
BGD*FO	0.005	Low
BGD*CEO	0.005	Low
BGD*OC	0.002	Low
		Q²
CSRD (Y)		0,204

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Hypothesis Testing

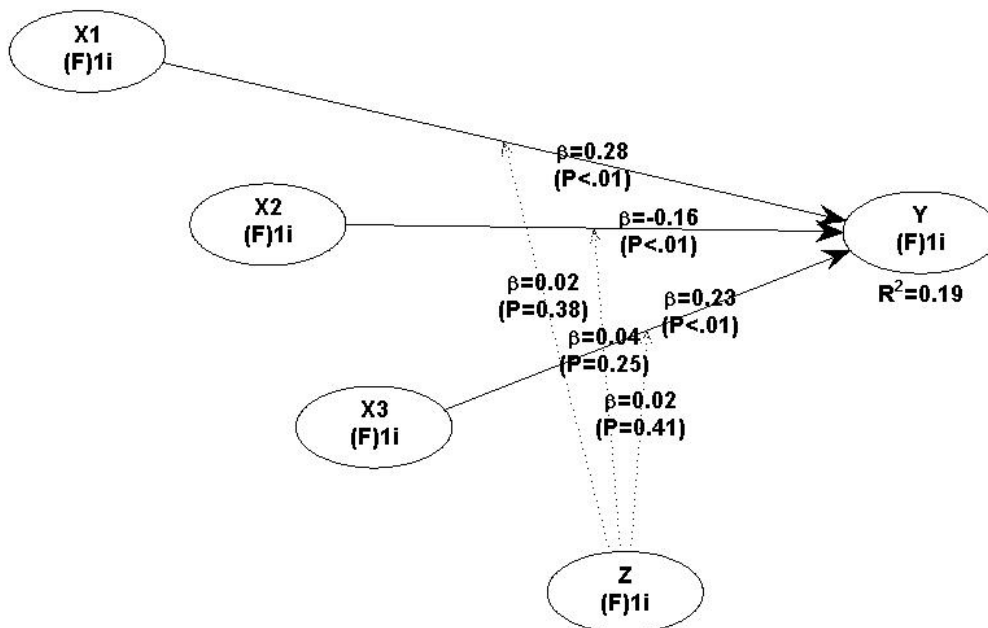


Figure 2. SEM PLS Output Results Using WarpPLS

Figure summarizes the results of hypothesis testing:

H1: Foreign ownership positively influences CSR disclosure.

Path coefficient = 0.26, $p = 0.01$ → **significant positive effect.**

This suggests that companies with higher foreign ownership tend to disclose more CSR information, consistent with the view that international investors demand greater transparency.

H2: CEO tenure positively influences CSR disclosure

Path coefficient = -0.19, $p = 0.01$ → **significant negative effect.**

The negative coefficient indicates that longer-serving CEOs are associated with lower levels of CSR disclosure, suggesting possible managerial entrenchment.

H3: Ownership concentration positively influences CSR disclosure

Path coefficient = 0.12, $p = 0.03$ → **significant positive effect.**

This finding implies that concentrated ownership enhances monitoring effectiveness, leading to higher CSR disclosure.

H4: Board gender diversity moderates the effect of foreign ownership on CSR disclosure.

Path coefficient = 0.07, $p = 0.22$ → **not significant.**

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H5: Board gender diversity moderates the effect of CEO tenure on CSR disclosure.

Path coefficient = -0.08, $p = 0.24$ → **not significant.**

H6: Board gender diversity moderates the effect of ownership concentration on CSR disclosure.

Path coefficient = -0.05, $p = 0.35$ → **not significant.**

These results indicate that board gender diversity did not moderate the relationships between ownership structure, CEO tenure, and CSR disclosure. The empirical findings show that foreign ownership and ownership concentration positively influence CSR disclosure, while CEO tenure negatively affects it. However, the moderating role of board gender diversity was not supported in this study. Overall, the results highlight that ownership structure and leadership characteristics are important determinants of CSR disclosure in the Indonesian energy sector, but gender diversity at the board level has not yet demonstrated a significant effect.

DISCUSSION

The findings of this study provide important insights into how ownership structure and managerial characteristics influence CSR disclosure in the Indonesian energy sector. Consistent with previous studies, foreign ownership and ownership concentration were found to have significant positive effects on CSR disclosure, while CEO tenure had a significant negative effect. Interestingly, board gender diversity did not significantly moderate the tested relationships.

Foreign Ownership and CSR Disclosure

The positive association between foreign ownership and CSR disclosure confirms that international investors exert pressure on firms to adopt greater transparency and align with global reporting standards. This finding is consistent with Setiawan et al. (2021) and Wang et al. (2021), who found similar patterns in Indonesia and China. From the perspective of Legitimacy Theory, foreign shareholders serve as conduits of global norms, compelling firms to demonstrate legitimacy not only domestically but also in the international arena. However, this result contradicts Reverte (2009), who found that in weak regulatory environments foreign investors may prioritize financial returns over sustainability. The present findings therefore enrich the literature by suggesting that the

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effectiveness of foreign ownership as a driver of transparency depends on the interplay between sectoral sensitivity and regulatory enforcement in emerging markets.

CEO Tenure and CSR Disclosure

The negative relationship between CEO tenure and CSR disclosure reveals the risk of managerial entrenchment. Long-serving CEOs may become less responsive to evolving stakeholder demands and more aligned with the interests of controlling shareholders. This is consistent with Agustina & Sudibyo (2022), but contrasts with Li et al. (2021), who suggested that longer tenure enables CEOs to pursue long-term CSR strategies. These contradictory results underscore the context-specific nature of leadership effects. In Indonesia's energy sector, prolonged CEO tenure appears to hinder accountability rather than strengthen it. Theoretically, this finding adds nuance to Stakeholder Theory by showing that leadership characteristics can weaken stakeholder responsiveness when power imbalances persist.

Ownership Concentration and CSR Disclosure

The positive effect of ownership concentration on CSR disclosure is consistent with monitoring theory, which argues that large shareholders have both the incentive and capacity to monitor management effectively. This result supports Buerthey (2021), who found that concentrated ownership can enhance CSR reporting. Large shareholders may demand transparency to protect their investments, particularly in industries with high social and environmental risks such as energy.

However, this finding also contrasts with studies suggesting that concentrated ownership may lead to expropriation and reduced disclosure (Prado-Lorenzo et al., 2009). The positive result in this study may reflect the increasing awareness among Indonesian controlling shareholders of the reputational and regulatory importance of CSR reporting. Furthermore, the legitimacy perspective suggests that controlling shareholders recognize the need to maintain public trust and regulatory approval, which motivates them to encourage CSR disclosure.

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Board Gender Diversity as a Moderator

Contrary to expectations, board gender diversity did not moderate the relationships between ownership structure, CEO tenure, and CSR disclosure. This reflects the limited representation of women in Indonesian boards, where female directors often occupy symbolic rather than influential roles. This aligns with Rao & Tilt (2016), who stressed that gender diversity is only impactful when women are substantively involved in strategic decision-making. From a Stakeholder Theory perspective, this result highlights the institutional barriers that prevent female directors from serving as effective accountability mechanisms. The theoretical contribution here is to emphasize that tokenistic diversity is insufficient to alter governance dynamics, and substantive empowerment of female directors is required for meaningful change.

Overall, the findings enrich Legitimacy Theory by showing how ownership mechanisms (foreign and concentrated ownership) serve as tools to secure legitimacy, while managerial entrenchment undermines it. They also expand Stakeholder Theory by highlighting the role of leadership characteristics and ownership structures in shaping responsiveness to stakeholders, while underlining the limitations of gender diversity reforms in weak institutional contexts.

CONCLUSION

Theoretical Implications

From a theoretical standpoint, these findings extend legitimacy theory by showing that both foreign ownership and concentrated ownership act as governance mechanisms that enhance CSR disclosure, thereby helping firms maintain legitimacy in the eyes of stakeholders. The negative influence of CEO tenure also contributes to the literature by illustrating how managerial characteristics can undermine legitimacy strategies when entrenchment occurs.

Stakeholder theory is enriched by demonstrating that ownership structures and leadership features directly shape how firms respond to stakeholder pressures for CSR disclosure. The absence of moderating effects from gender diversity suggests that

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stakeholder accountability mechanisms in Indonesia are still heavily influenced by ownership and leadership, with diversity reforms yet to translate into substantive changes.

Practical Implications

The study offers several concrete implications for regulators, investors, and corporations: **Strengthening the Role of Female Directors.** Regulators and firms should move beyond symbolic representation by ensuring substantive involvement of women in board decision-making. Policies could include regulatory quotas, leadership training programs, and embedding sustainability issues into board agendas. **Addressing CEO Entrenchment.** Firms should mitigate the risks of prolonged CEO tenure through succession planning, term limits, and stronger evaluation mechanisms via nomination and remuneration committees. This would ensure greater responsiveness to stakeholder expectations and prevent complacency.

Leveraging the Role of Foreign and Controlling Shareholders. Both foreign investors and majority shareholders should continue to demand higher levels of CSR disclosure, particularly in sectors with high environmental and social risks. Regulators such as OJK could encourage shareholder activism by requiring sustainability issues to be formally addressed in annual general meetings. **Strengthening Regulatory Enforcement.** The OJK and IDX should reinforce compliance with GRI-based standards through monitoring mechanisms and provide incentives for firms that consistently publish high-quality CSR reports.

Contextual Considerations

Theoretically, these findings enrich legitimacy theory by illustrating how ownership and leadership characteristics shape corporate disclosure strategies aimed at maintaining social approval. Stakeholder theory is also supported, as CSR disclosure is shown to be influenced by the expectations of foreign investors, controlling shareholders, and society at large. Practically, the study offers several implications. Regulators and policymakers should strengthen CSR disclosure requirements, ensure compliance with GRI-based reporting standards, and promote meaningful gender diversity on boards. Companies should avoid excessive reliance on long-tenured CEOs and ensure that

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leadership renewal strategies foster responsiveness to evolving sustainability expectations.

This study concludes that foreign ownership and ownership concentration positively influence CSR disclosure, while CEO tenure exerts a negative effect. Board gender diversity, however, does not significantly moderate these relationships. The original contribution of this research lies in demonstrating that in emerging markets such as Indonesia, corporate legitimacy is shaped by a combination of global pressures (foreign ownership), domestic governance forces (controlling shareholders), and leadership risks (CEO entrenchment), while diversity reforms remain constrained by institutional barriers.

Theoretically, the findings extend Legitimacy Theory by showing how both foreign and concentrated ownership function as governance mechanisms to sustain legitimacy. Stakeholder Theory is also refined by illustrating how leadership characteristics, particularly CEO tenure, can weaken stakeholder responsiveness when unchecked.

Future research should explore several directions: Cross-Sectoral Analysis. Expanding beyond the energy sector to industries such as manufacturing, finance, or technology could offer comparative insights. Broader Governance Variables. Incorporating board independence, audit committee effectiveness, or institutional ownership could enrich the governance–CSR nexus. Comparative Studies. Cross-country comparisons, particularly across Southeast Asia, would illuminate how institutional contexts shape CSR disclosure drivers. Qualitative Approaches. Interviews or content analysis could provide richer insights into the substantive role of female directors in advancing sustainability governance.

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