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The Effect of Gender Diversity, Profitability, and Company Age on Disclosure of Sustainability Report

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Abstrak

A sustainability report is a report that contains the economic, environmental and social performance of a financial service institution, issuer, or public company which is then disclosed to the public. The sustainability report is the company's commitment in carrying out sustainable development that carries aspects of the triple bottom line, namely finance, environment, and society. The purpose of this study was to analyze the effect of gender diversity, profitability, and company age on the disclosure of sustainability reports in companies listed in the LQ-45 index in 2019-2021. The sample in this study was obtained using purposive sampling technique. Based on the technique that has been done, data is obtained from 20 companies within a period of three years that are consistently listed in the LQ-45 index. Then the data analysis method used in this study is the panel data regression method using Eviews 12 software. Based on the test results, the variables of gender diversity, profitability, and age of company simultaneously affect the disclosure of sustainability reports in companies listed in the LQ-45 index for 2019-2021. Then partially profitability and age of company positifly on the disclosure of sustainability reports on companies. While the gender diversity has no effect on the disclosure of sustainability reports in companies. Based on the results of the study, it is recommended for further researchers to use different variables and the research period with the latest time. And for the company, it is recommended to maintain the profits earned to improve programs and disclosure of environmental and social performance. Thus, it can certainly increase the confidence of external parties to increase the value and performance of the company.

Kata Kunci: Company age, disclosure of sustainability reports, gender diversity, profitability

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INTRODUCTION

The company was established of course to generate profits and fulfill obligations and be accountable for its performance to shareholders. Not only that, but a good company must also be responsible for the company's performance to stakeholders such as the surrounding community. Because indirectly the growth of the company will affect the natural resources and life in the environment around the company. So that in carrying out its activities, companies must maintain a balance between financial performance, environmental performance, and social performance to remain stable.

Corporate accountability to stakeholders who are increasingly pressing can encourage companies to adopt sustainable finance practices. According to the Otoritas Jasa Keuangan (2017), sustainable finance is comprehensive support from the financial services sector, issuers, and public companies to create economic, social, and environmental growth. Sustainable finance or sustainability finance is OJK's policy in supporting the world's efforts

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towards a green economy and sustainable development program. This policy is a form of OJK's support for the Government of Indonesia in the Paris Agreement, which is a monumental global agreement to deal with climate change and supports state steps to achieve the goal of Net Zero Emission.

In fact, the government's efforts towards sustainable development have been seen from Chapter V Article 74 of Law Number 40 of 2007 concerning Limited Liability Companies, that companies whose business activities are in the field and/or related to natural resources are obliged to carry out social and environmental responsibilities or known as CSR. However, these regulations have not fully contributed to sustainable development. So that the government through OJK issued Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions (LJK), Issuers, and Public Companies. The regulation states that LJK, issuers, and public companies are required to implement Sustainable Finance in their business activities and must submit a Sustainability Report and there are sanctions for LJK, issuers, and public companies that are negligent in their disclosure.

Although there are more and more regulations and standards that apply regarding the disclosure of sustainability reports, in reality there are still many companies that have not submitted sustainability reports or only submitted a few items from the total items of disclosure of sustainability reports. This can be seen from only twenty companies listed in the LQ-45 index that consistently disclose sustainability reports during the 2019-2021 period. The following table shows the average growth in the number of items disclosed in the sustainability reports of the twenty companies.

Table 1 The Average of Disclosures of Sustainability Report Items

Emiten Code	The Average of Disclosure of Sustainability Report Items		
	2019	2020	2021
ACES	0,47059	0,46622	0,44595
ADRO	0,66176	0,64189	0,83108
AKRA	0,45588	0,59459	0,79730
ANTM	0,50000	0,59459	0,65541
ASII	0,44853	0,40541	0,52027
BSDE	0,60294	0,52027	0,58108
EXCL	0,44118	0,39865	0,44595
INCO	0,48529	0,73649	0,64189
INTP	0,41176	0,41216	0,56081
ITMG	0,50000	0,70946	0,59459
JPFA	0,51471	0,63514	0,67568
JSMR	0,53676	0,39189	0,41892
KLBF	0,43382	0,40541	0,45139
PGAS	0,86765	0,83108	0,89865
PTBA	0,66176	0,64865	0,79730
PTPP	0,52206	0,43919	0,47973
SMGR	0,47794	0,54054	0,52027
UNTR	0,45588	0,43919	0,43243
UNVR	0,45588	0,43919	0,45946
WIKA	0,69853	0,60811	0,64865

Source: Data that has been processed by the author (2022)

The table shows that the average disclosure of sustainability report items has fluctuated with the total items that companies must disclose in sustainability reports according to the GRI Standard index in 2019 amounting to 136 items and then increasing to 148 items in 2020 and 2021. Despite the overall growth in the number of items The disclosure of sustainability reports has fluctuated, but some companies have experienced a decline, such as

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PT Ace Hardware Tbk and PT United Tractors Tbk. This shows that the longer the company has been on the floor or the more regulations issued are not enough to strengthen the company to increase CSR (Corporate Social Responsibility) disclosure in sustainability reports. Apart from fluctuating, increasing, or decreasing, the increasing number of regulations does not guarantee that companies will reduce cases related to sustainability reporting, namely social and environmental damage that occurs in Indonesia. There are still cases related to sustainability issues that occurred during the research period.

Quoted from news written by Lesmana (2021), the company PT Indomico Mandiri (PT IMM) which is a subsidiary of PT Indo Tambangraya Megah is suspected of violating East Kalimantan Regional Regulation Number 02 of 2011 and Government Regulation Number 82 of 2001 concerning Water Quality Management and Control Water pollution. PT IMM has been negligent in carrying out environmental management because mining waste pollutes the Santan River which is the source of livelihood and production for the community from the fisheries and coconut plantation economy. This will affect the disclosure of sustainability reports, because the environment is one of the environmental aspects or indicators, so that if this environmental indicator decreases, it will indirectly have an impact on the decrease in the total disclosure item of the sustainability report which can be seen from the decrease in the average disclosure item that occurs. in 2021.

Then, cases related to sustainability issues also occurred at PT Semen Indonesia with the issuer code SMGR. News written by Primadhyta (2021), SMGR allegedly violated the agreement with the company's employees. The employee union sued PT Semen Indonesia to the Central Jakarta District Court on suspicion of not fulfilling the work agreement, namely the promise of umrah fees of IDR 25 million per person to employees and their spouses as well as pressure to pay annual work bonuses since 2019. This will affect the disclosure of the sustainability report, because fulfilment of employee obligations is one aspect or social indicator, so that if this social indicator decreases, it will indirectly have an impact on a decrease in the total disclosure items of the sustainability report which can be seen from the decrease in the average disclosure item that occurred in 2021.

The practice of disclosing sustainability reports cannot be separated from the company's internal factors such as the composition of the board of directors, financial performance, and the age of the company. As the main body in corporate governance, it is very necessary for the board of directors for the effective function of each business activity (Mudiyanselage, 2018), then in determining whether a company will implement sustainability practices or not is one of the decisions determined by the board of directors. According to the traditional point of view, the composition of the board of directors of a company is still dominated by men, because women are considered an outside group and do not have sufficient capital for the position of directors of the company (Nielsen and Huse, 2010). However, the presence of women on the board will improve the decision-making process and increase the effectiveness of the board (Anggraini and Suwasono, 2021). This is in accordance with the results of gender diversity testing on the disclosure of sustainability reports from the research of Anggraini and Suwasono (2021) which has a positive and significant effect. However, the results of the literature study by Justin and Hadiprajitno (2019), stated that the representation of female directors had a negative effect on the disclosure of sustainability reports.

Then the financial performance which is calculated using the ratio of profitability, liquidity, and solvency also affects the disclosure of sustainability reports. One of the proxies for calculating profitability ratios is to use the calculation of return on assets or ratios that describe the company's ability to earn profits from the company's total assets. If the profit or profit of a company increases, the company will have more funds to carry out social activities. As the news written by Safitri (2022), PT Jasa Marga succeeded in obtaining a net profit of IDR 1.62 trillion in 2021 from 2020 which earned a net profit of IDR 501.04 billion. From this profit, PT Jasa Marga has increased and maintained its commitment to realizing sustainable toll

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roads, both from the environmental, social and governance aspects, by planting a total of 73,583 trees in 2021.

The increase in social activities carried out by the company has an impact on the wider information disclosed in the sustainability report. So that it can be interpreted that the higher the level of profitability of a company, the greater the disclosure of social information. This is in line with the research of Fitri and Yuliandari (2018) and Liana (2019) which state that ROA has a positive effect on the disclosure of sustainability reports. However, according to the results of research by Sulistyawati and Qadriatin (2018) and Aini (2020), ROA has no effect on the disclosure of sustainability reports.

The length of time the company is able to survive in carrying out its business activities also affects the decision to disclose the sustainability report. Companies that have a long life will show the company's ability to make decisions to develop its business, so that it can demonstrate the ability to excel in competition (Anggraini and Suwasono, 2021). And companies that have been around for a long time will be more skilled in collecting and processing the necessary information because they have a better understanding of community developments and demands. Research by Anggraini and Suwasono (2021) shows that the age of the company has a positive and significant effect on the disclosure of sustainability reports. These results are consistent with Aini's (2020) study. However, the results of this study differ from the results of research by Maryana and Carolina (2021) which show that the age of the company has a negative and significant effect on the disclosure of sustainability reports.

LITERATURE REVIEW

a. Legitimacy Theory

The theory of legitimacy introduced by Dowling and Preffer (1975: 122) focuses on the interaction between companies and society. Dowling and Pfeffer (1975:122), state that organizations seek to create harmony between the social values inherent in their activities with behavioural norms that exist in the social system of society where the organization is part of the system. So, the company must align its values with applicable norms so that the company can be accepted by the community and get full support, so that the business it runs can continue.

b. Stakeholder Theory

Stakeholder theory introduced by Freeman (1984:25), states that the prosperity and success of a company depends on the ability of the company itself to align the various interests of stakeholders. So, companies need to report their performance and provide benefits to stakeholders. One way to report its performance is to disclose a sustainability report which is expected to fulfil the wishes of stakeholders and produce a harmonious relationship.

c. Sustainability Report

A sustainability report according to the Financial Services Authority through OJK Regulation Number 51/POJK.03/2017 is a report published to the public that contains the economic, financial, social, and environmental performance of a financial service institution, issuer, and public company in running a sustainability business. The information disclosed in the sustainability report enables stakeholders to form opinions and make decisions regarding the company's contribution to sustainable development goals. The following is the calculation of the disclosure of the sustainability report.

The sustainability report launched by the Financial Services Authority through POJK regulation No. 51 of 2017 for financial and public services companies, disclosures are directed to use the new Global Reporting Initiatives (GRI) guidelines, namely the GRI Standard. The disclosure of sustainability reports according to Aliniar & Wahyuni (2017) can be measured by the following formula.

$$SRDI = \frac{Number\ of\ items\ disclosed}{Total\ item} \quad (2.1)$$

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If the item is disclosed, it will be given a value of 1 and vice versa if the item is not disclosed it will be given a value of 0.

d. Gender Diversity

Diversity refers to the factors in each individual that make him different from other individuals. While gender refers to a role, character, behavior, and perspective based on female or male gender. Gender diversity shows the distribution between the number of men and women in the position of members of the board of directors (Fathonah, 2018). According to Rahindayanti (2015), the percentage of gender diversity can be measured through a comparison between the number of female members of the board of directors and the total number of members of the board of directors. The calculation can be done with the following formula.

$$GD = \frac{Number\ of\ female\ directors}{Total\ board\ of\ directors} \quad (2.2)$$

e. Profitability

Profitability is one of the company's benchmarks in managing assets to generate profits in the current year (Herlinda and Rahmawati, 2021). The use of profitability ratios aims to determine the profit generated, assess profits in a certain period, assess profit developments, assess profit after tax, and determine company productivity. The following is the calculation of profitability with ROA proxy.

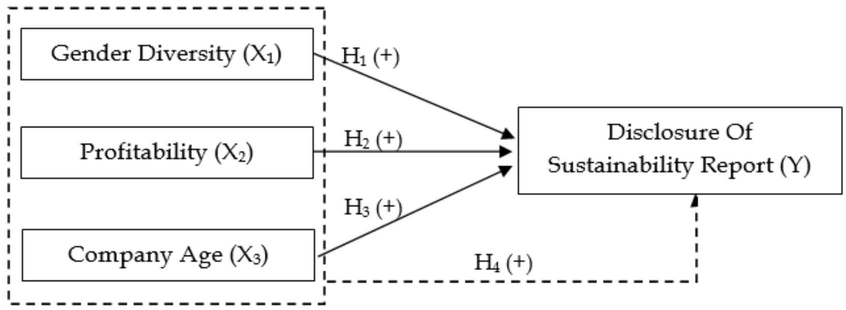
$$ROA = \frac{Net\ profit\ after\ tax}{Total\ asset} \quad (2.3)$$

f. Company Age

Company age can be interpreted as the length of time the company has offered its shares to the public and is listed on the IDX. Companies that have been around for a long time are said to be more professional in delivering information, because companies that have been around for a long time show that they can compete and succeed in gaining the trust of the public and stakeholders (Dewi and Muslih, 2018). Companies that are able to survive standing and active make the public's expectations for the company also higher, this will make the company strive to maintain a good image by reporting its performance through the disclosure of annual reports, financial reports, and sustainability reports. Referring to the research of Hariyanto (2021), the age of the company is calculated from the time the company is listed on the Indonesia Stock Exchange until the year the research takes place. The calculation used is formulated as follows.

Company age = Years of research – Year the company is listed on the IDX

Figure 1 Thinking Framework



Based on the research framework in Figure 1 above, the following research hypotheses are obtained.

H1: Gender diversity, profitability, and company age simultaneously have a significant effect on sustainability reports for companies listed in the LQ-45 index in 2019-2021.

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H2: Gender diversity partially has a significant positive effect on sustainability reports for companies listed in the LQ-45 index for 2019-2021.
H3: Profitability partially has a significant positive effect on sustainability reports for companies listed in the LQ-45 index for 2019-2021.
H4: Company age partially has a significant positive effect on sustainability reports for companies listed in the LQ-45 index in 2019-2021.

RESEARCH METHODOLOGY

The research method used in this study is a quantitative research method. The population in this study are companies listed on the LQ-45 index of the Indonesia Stock Exchange (IDX) for the 2019-2021 period. The sample in this study was obtained using purposive sampling technique. The criteria for selecting the sample in this study are companies listed in the index at LQ-45 for the 2019-2021 period, consistently publishing annual reports for the 2019-2021 period, and consistently publishing sustainability reports for the 2019-2021 period. Then 45 observational data were received which were used as samples for research from 15 companies with a three-year research period. The data used is secondary data. This study uses panel data regression analysis with the following equation.

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + e$$

RESULTS

Descriptive Statistical Analysis

The sample data used are 15 companies listed in the LQ-45 index and consistently publish annual reports and sustainability reports with the research period 2019-2021. Descriptive statistical testing in this study using E-Views 12 software. The following are the results of descriptive statistical tests which are presented in Table 2.

Table 2 Descriptive Statistical Results with Ratio Scale

Information	Variabel			
	Sustainability Report (Y)	*Gender Diversity* (X_1)	Profitability (X_2)	Company Age (X_3)
Average	0,50725	0,14186	0,07030	23,20000
Maximum	0,73649	0,60000	0,35802	39,00000
Minimum	0,39189	0,00000	-0,00040	9,00000
Standar Deviation	0,09044	0,15100	0,08256	9,23334
Observation	45	45	45	45

Source: Data that has been processed by the author (2022)

Based on Table 2, the results of the descriptive statistical test show that the dependent variable, namely the disclosure of sustainability reports using the Global Reporting Initiatives (GRI) Standard index, has a maximum value of 0.73649 found at PT Vale Indonesia Tbk in 2020. The company with the issuer code INCO discloses 109 items from a total of 148 sustainability report disclosure items based on the GRI Standard. While the minimum value of 0.39189 is found at PT Jasa Marga Tbk in 2020. Then the average value is 0.50725 and the standard deviation value is 0.09044. This shows that the sustainability report disclosure

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variable has grouped or homogeneous data because the average value is greater than the standard deviation value.

The first independent variable in this study is gender diversity. The variable measured by the number of the board of directors based on the results of the descriptive statistical test has a maximum value of 0.6000 which is found in PT Unilever Tbk in 2020. PT Unilever has 6 female members of the board of directors out of a total of 10 members of the board of directors. The lowest value of the gender diversity variable is 0.0000 which means that there are no female members of the board of directors on the board of directors of the company. Some of these companies include PT Indocement Tunggal Perkasa Tbk, PT Japfa Comfeed Tbk, PT Kalbe Farma Tbk, and PT United Tractors Tbk. Furthermore, this variable has an average value of 0.14186 which is smaller than the standard deviation value of 0.15100. This shows that the gender diversity variable has varied or heterogeneous data. Not only that, the average value of feminism on the board of directors is 0.14186, indicating that the LQ-45 index companies for the 2019-2021 period on average already have a female gender proportion that can have an influence on their company.

The next independent variable is profitability which is measured using the Return On Asset (ROA) measurement. This variable has the highest value of 0.35802 which occurred at PT Unilever Tbk in 2019. This happened because the total assets owned were Rp. 20,649,371,000,000 with a total net profit of Rp. 7,392,837,000,000, it means the company earned a profit of 35 ,8% of the total assets owned. And the lowest value of -0.00040 occurred at PT Jasa Marga Tbk in 2019. The cause of this condition is because the total assets owned are Rp. 104,086,646,000,000 while the net profit obtained is -Rp. 41,629,000,000. Similar to the previous independent variables, the profitability variable has varying data because the standard deviation value of 0.08256 is greater than the average value of 0.07030 which indicates that the ability of companies on the LQ45 index to generate profits is relatively diverse.

The last independent variable is the age of the company. This variable is measured from the year the company is listed on the IDX until the research period takes place. The maximum value of this variable is 39,0000 or 39 years at PT Unilever Tbk in 2021, this is because PT Unilever has been listed on the IDX since 1982. Then the minimum value for this variable is 9,0000 or 9 years at PT Pembangunan Perumahan Tbk in 2019 because in 2010 the issuer with the new PTPP code was listed on the IDX. The company age variable has a standard deviation of 9.23334, where this value is smaller than the average value of 23.2000. This shows that the age variable of the company has grouped data. This variable data is fairly grouped because there are several companies that offer their shares to the public and are listed on the stock exchange in the same year.

Selection of the Regression Model

This study used panel data regression analysis with three types of tests, namely the Chow test Hausman test, and the Lagrange multiplier test to determine the most appropriate regression model for this study.

a. Test Chow

Test Chow is used to determine the fixed effect or common effect that will be used in this study.

DOI: 10.37531/mirai.v7i3.2499

Table 3 Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	6.254811	(14,27)	0.0000
Cross-section Chi-square	65.039671	14	0.0000

Source: Data processed by the author and *output Eviews 12* (2022)

The results of the Chow test in the table above show that the probability value of the chi square cross section is 0.0000 < 0.05. So, it can be concluded that H_0 = Common effect model is rejected and H_1 = Fixed effect model is accepted, so it is better for panel data regression to use the fixed effect model and further testing needs to be done, namely the Hausman test.

b. Test The *Hausman*

Test *Hausman* used to select *fixed effect model* or *random effect model* that will be used in this study.

Table 4 Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	11.066281	3	0.0114

Source: Data processed by the author and *output Eviews 12* (2022)

Based on Table 4, the results of the Hausman test show that the probability value of a random cross section has a value of 0.01 < 0.05. So, it can be interpreted that H_0 = random effect model is rejected and H_1 = fixed effect model is accepted. So that panel data regression is better to use the fixed effect model. With the selection of the fixed effect model, there is no need to proceed to the lagrange multiplier test.

Panel Data Regression Analysis

Based on the results of the *Chow* test and the *Hausman*, the appropriate panel data regression model used in this study is the *fixed effect model*.

Table 5 Results of Panel Data Regression

Dependent Variable: Y
Method: Panel Least Squares
Date: 08/20/22 Time: 03:12
Sample: 2019 2021
Periods included: 3
Cross-sections included: 15
Total panel (balanced) observations: 45

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.126979	0.257601	-0.492928	0.6260
X1	-0.057582	0.176672	-0.325928	0.7470
X2	1.339710	0.507760	2.638472	0.0137
X3	0.023630	0.010951	2.157836	0.0400

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.777663	Mean dependent var	0.507249
Adjusted R-squared	0.637672	S.D. dependent var	0.090435
S.E. of regression	0.054436	Akaike info criterion	-2.694395
Sum squared resid	0.080010	Schwarz criterion	-1.971730
Log likelihood	78.62388	Hannan-Quinn criter.	-2.424992
F-statistic	5.555121	Durbin-Watson stat	3.144639
Prob(F-statistic)	0.000043		

Source: Data processed by the author and *output Eviews 12* (2022)

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Based on table 5 of the panel data regression results, the panel data regression equation used in this study is as follows.

$$Y = -0{,}129 - 0{,}057\ X_1 + 1{,}339\ X_2 + 0{,}023\ X_3 + e$$

Y : Disclosure of Sustainability report
X_1 : Gender Diversity
X_2 : Profitability
X_3 : Company Age
e : Error

The model shows the meaning that:

a. The constant value of -0.129 indicates that if the independent variables in the regression, namely gender diversity, profitability, and company age are each zero (0), then the value of the dependent variable, namely the disclosure of sustainability reports, is -0.129.
b. The regression coefficient on the gender diversity variable (X1) has a value of 0.057 and indicates a negative direction. So, it can be interpreted that, if there is an increase in the value of gender diversity by one (1) unit (assuming other independent variables, namely profitability and company age are zero (0) or constant), then the disclosure of sustainability reports can decrease by 0.057.
c. The regression coefficient on the profitability variable (X2) has a value of 1.339 and indicates a positive direction. So, it can be interpreted that, if there is an increase in the projected profitability value with an ROA of one (1) unit (assuming other independent variables, namely gender diversity and company age are zero (0) or constant), then the disclosure of sustainability reports can increase by 1.339.
d. The regression coefficient on the firm age variable (X2) has a value of 0.023 and indicates a positive direction. So, it can be interpreted that, if there is an increase in the age value of the company by one (1) unit (assuming other independent variables, namely gender diversity and profitability are zero (0) or constant), the disclosure of sustainability reports can increase by 0.023.

Hypothesis Testing

a. Coefficient of Determination Test Results (R^2)

Based on Table 5 above, Adjusted R-Squared value is 0.637 or 63.7%. This can indicate that the independent variables consisting of gender diversity, profitability, and company age have an effect of 63.7% on the dependent variable, namely the disclosure of sustainability reports and the remaining 36.3% is influenced by other variables not described in this study.

b. Simultaneous Test Results (Test Statistics F)

Based on Table 5 above, the probability value of the F statistic in this study is 0.000, which is smaller than the significance level of 0.05 or can be formulated with a probability F statistic of $0.000 < 0.05$. Based on these results, it can be concluded that hypothesis 4 is accepted, which means that the independent variables, namely gender diversity, profitability, and company age, simultaneously affect the dependent variable, namely the disclosure of sustainability reports.

c. Partial Test Results (Test Statistics t)

Based on Table 5 above, the results of the partial test are obtained as follows.

a. The gender diversity variable (X1) has a t statistic probability value of 0.747, it can be interpreted that hypothesis 1 is rejected because the t statistic probability value is $0.747 > 0.05$. So that the gender diversity variable as measured by the proportion of female board of directors partially has no significant effect in a negative direction on the disclosure of sustainability reports.

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b. The profitability variable (X2) has a probability value of t statistic of 0.013, it can be interpreted that hypothesis 2 is accepted because the probability value of t statistic is 0.013 <0.05. So that the profitability variable as measured by return on assets partially has a significant and positive effect on the disclosure of sustainability reports.
c. Company age variable (X3) has a probability value of t statistic of 0.04, it can be interpreted that hypothesis 3 is accepted because the probability value of t statistic is 0.04 <0.05. So that the variable age of the company partially has a significant effect in a positive direction on the disclosure of sustainability reports.

RESULTS AND DISCUSSION

The Effect of Gender Diversity, Profitability, and Company Age of Sustainability Reports

Based on Table 5 shows that the probability value of the F statistic is 0.000 < 0.05. So that the independent variables consisting of gender diversity, profitability, and company age have a simultaneous effect on the disclosure of sustainability reports in companies listed in the LQ-45 index for the 2019-2021 period. So, with this the research hypothesis is in line with the hypothesis that has been built by the author (H_4).

The Effect of Gender Diversity on Disclosure of Sustainability Reports

Based on Table 5, the gender diversity variable which is proxied by the proportion of female members of the board of directors in the board of directors shows that there is a regression coefficient of 0.057 which has a negative direction. Meanwhile, the probability value of t statistic is 0.747 where the probability value is greater than the significance level of 0.05. So, it can be interpreted that the independent variable, namely gender diversity, has no effect on the disclosure of sustainability reports. So, with this the research hypothesis is not in line with the hypothesis that has been built by the author (H_1).

The results of the study which show that gender diversity partially has no effect on the disclosure of sustainability reports are in line with the results of research conducted by Lucia and Panggabean (2018) and Klarisa and Muslih (2019) which found that gender diversity had no effect on the disclosure of sustainability reports. According to Klarisa and Muslih (2019), the number of positions on the female board of directors in the ranks will not affect many aspects of life, because Indonesia still adheres to a patrilineal culture where a man is in control and women have an attitude that easily gives in to respect for men. However, a company that is able to perform well and is prudent can make the company increase the value of the company so that it is able to meet the interests of stakeholders and gain community legitimacy. This is in accordance with stakeholder theory and legitimacy theory.

The Effect of Profitability on Disclosure of Sustainability Reports

Based on Table 5, the profitability variable as proxied by the return on assets ratio shows that there is a regression coefficient of 1.339 which has a positive direction. Meanwhile, the probability value of t statistic is 0.013 where the probability value is smaller than the significance level of 0.05. So, it can be interpreted that the independent variable, namely profitability, partially has a significant effect on the disclosure of sustainability reports. So, with this the research hypothesis is in line with the hypothesis that has been built by the author (H_2).

The results of the study which show that profitability partially affects the disclosure of sustainability reports in a positive direction are in line with the results of research conducted by Fitri and Yuliandari (2018), Liana (2019), and Febriana and Setiany (2021) which found that profitability had an effect on disclosure. sustainability report. This research is in accordance with the concept of stakeholder theory, because by generating profits, the company has the ability and more opportunities to carry out social and environmental responsibility programs

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and their disclosures that are used to fulfill their responsibilities to their stakeholders. Because basically stakeholder theory is the relationship between companies and stakeholders not only based on support from stakeholders for the company, but companies must also be able to report their performance and provide benefits to stakeholders.

The Effect of Company Age on Disclosure of Sustainability Reports

Based on Table 5, the variable age of the company which is calculated from the length of time the company has been on the stock exchange until the research period shows that there is a regression coefficient of 0.023 which has a positive direction. Meanwhile, the probability value of t statistic is 0.040 where the probability value is smaller than the significance level of 0.05. So that it can be interpreted that the independent variable, namely the age of the company, partially has a significant effect on the disclosure of sustainability reports. So, with this the research hypothesis is in line with the hypothesis that has been built by the author (H_3).

The results of the study which show that the age of the company partially affects the disclosure of sustainability reports in a positive direction. This is in line with the results of research conducted by Anggraini and Suwono (2021) and Aini (2020) which found that company age affects the disclosure of sustainability reports. This research is in accordance with the theory of legitimacy because the company managed to survive in carrying out its business processes with the norms and values that apply in society so that the company can continue to carry out its goals and corporate responsibilities to stakeholders.

CONCLUSION

This study aims to analyze the effect of gender diversity, profitability, and company age on the disclosure of sustainability reports in companies listed in the LQ-45 index in 2019-2021. There are a number of samples in this study is 45 sample data in a period of three years. Based on the results of data observations using the E-Views 12 software and the discussion that has been described, the following conclusions are obtained.

The first conclusion, the dependent variable in this study, namely the disclosure of sustainability reports has an average value of 0.50725 with a standard deviation of 0.09044. With an average value obtained of 50.7%, which has reached a value of 50%, it can be categorized that the average value of sustainability report disclosure in companies listed in the LQ-45 index is high. Second, based on the results of the simultaneous test (F test), it can be concluded that the independent variables, namely gender diversity, profitability, and company age simultaneously affect the dependent variable, namely the disclosure of sustainability reports on companies listed in the LQ-45 index for the 2019-2021 period. And thirdly, only the gender diversity variable has no effect on the dependent variable, while the other independent variables have a positive influence on the dependent variable.

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