

# Managerial ownership and CSR disclosure in achieving SDGs: Evidence from IDX-Listed mining firms (2018-2023)

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**ABSTRACT**

This study examines how management ownership affects corporate social responsibility (CSR) in mining businesses that are listed between 2018 and 2023 on the Indonesia Stock Exchange (IDX). The findings indicate that the level of managerial ownership disclosure tends to experience fluctuating declines, while CSR disclosure in mining sector companies remains relatively strong. The population of this study consists of 59 mining sector companies. Secondary data in the form of financial reports were obtained from the official IDX website ([www.idx.co.id](http://www.idx.co.id)). A total of 10 companies were selected as samples using a non-probability sampling method with purposive sampling technique. The results of this study indicate that managerial ownership has a significant partial influence on corporate social responsibility in mining sector companies listed on the Indonesia Stock Exchange during the study period.

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**1. Introduction**

Corporate Social Responsibility (CSR) is a crucial aspect of the business world that is closely related to the company's social and environmental responsibility. Several studies have examined the factors that influence CSR implementation, one of which is managerial ownership, where the results of the studies still show inconsistency. Previous research on managerial ownership had no significant effect on CSR disclosure, indicating that higher ownership does not necessarily lead to increased CSR activities (Andriani & Sudana, 2023). Conversely, Firm value is positively impacted by CSR disclosure, indicating that strong CSR practices can improve market perception (Nurhalisa & Hernawati, 2023). According to other research, increasing managerial ownership has been associated with a detrimental impact on firm value when considering CSR, indicating that the greater the managerial control, the lower the emphasis on CSR initiatives (Wiradikusumah, 2024). On the other hand, Managerial ownership and disclosure of CSR have a significant positive influence simultaneously on company value (Febriani & Munawaroh, 2022). CSR disclosure not only builds a positive image of the company but also increases stakeholder trust and loyalty (Misleleiloen, 2024). The inconsistency of the research results indicates the need for further studies to clarify the connection between managerial ownership and CSR.

The Sustainable Development ambitions (SDGs), which have 169 objectives and 17 ambitions, were accepted by Indonesia (Rulandari, 2021). In an effort to achieve business goals, companies have not only economic responsibilities to shareholders in the form of profit and increased share prices but also legal responsibilities to the government and social responsibilities to the community and other stakeholders (Afifah et al., 2021). The concept of CSR is also in line with the legitimacy theory, which states that companies need to gain legitimacy from the community in order to continue to operate sustainably (Mahmud, 2019). This

theory highlights how crucial alignment is between company activities and the values and expectations of society. Companies that gain legitimacy from the community and key stakeholders will have a greater opportunity to develop sustainably (Aulia et al., 2025). More particularly, the strategic legitimacy perspective has been applied to focus on positive environmental disclosures while carrying out the research (Akhter et al., 2023).

Companies that care about SDGs will manage waste in accordance with applicable regulations. Between 2018 and 2023, in the mining sector that was listed on the IDX, the amount of B3 waste (Hazardous and Toxic Materials) produced was recorded as the highest compared to other sectors (Ruliana et al., 2016). The average B3 waste produced by the mining sector reached 39,338,847 tons, much higher than the manufacturing sector (6,094,715 tons) and the agro-industry sector (4,529,372 tons). The CSR disclosure index in annual reports of the mining industry during the 2018-2023 period showed that the average CSR disclosure level was at 37%. There were 11 mining sector companies recorded with a CSR disclosure level below 30%, this shows that CSR disclosure in the mining sector has not yet reached 100%, such that CSR reporting and implementation can yet be improved. The annual report's degree of information disclosure is highly dependent on the company's policy on transparency. Factors that influence the level of disclosure are managerial ownership, where individuals who hold managerial positions share ownership in the company (Wulandari & Fanani, 2024). The agency theory of (Jensen & Meckling, 2019) states conflicts of interest may arise in the interaction between managers (agents) and business owners (principals). The agency relationship in modern corporate world highlights various scenarios with potential dilemmas (Al-Faryan, 2024). This relationship is characterized by information asymmetry, where agents often have more information than principals, leading to potential conflicts (Payne & Petrenko, 2019).

The phenomena demonstrate that there is a tendency for the degree of managerial ownership disclosure to fluctuate in decline, while the level of CSR disclosure in mining sector companies is quite good. Since management directly cares about the company's sustainability and is responsible for the decisions made, the amount of CSR disclosure should typically be higher. This study will reveal how much influence Managerial Ownership (X) has on Corporate Social Responsibility (Y). In addition, it is anticipated that this study will advance knowledge of Corporate Social Responsibility and Managerial Ownership.

## 2. Research Method

This study employs quantitative research approaches. Quantitative research methods can be defined as research techniques grounded in the positivist philosophy that are used to study specific populations or samples, gather data using research tools, and analyze quantitative and statistical data to test the hypothesis (Sugiyono & Lestari, 2021). The quantitative method was chosen because the problem which is the starting point of the research is clear and in order to test the hypothesis, the researcher will utilize statistical data to examine the study data, it is represented by numbers (Rashid et al., 2021). This study uses two variables consisting of one independent variable, namely managerial ownership, and one dependent variable, namely corporate social responsibility. Both variables are analyzed using regression analysis to ascertain how variables relate to one another so that it can be known whether the proposed hypothesis is correct or not (Pisică et al., 2022). Regression analysis is a statistical method used to analyze experimental data, representing the nature of relationships between studied features (Mylnikov, 2024).

This study measures Corporate Social Responsibility utilizing the 91-item GRI-G4 disclosure indicator (Syakur & Khomsiyah, 2025), done by adding up the scores for each disclosure item contained divided by the total number of CSR disclosure items in the company's annual report. GRI was published in 2006, but improvements were suggested by the board of directors and the latest version was published in 2013 (GRI G4). The guidelines for this disclosure are divided into two parts: (1) General Standard Disclosures (containing Strategies and Analysis, Organizational Profiles, Identified Material Aspects and Boundaries, Stakeholder Engagement, Report Profiles, Governance, Ethics and Integrity) and (2) Standard Disclosures Special (contains Disclosures of Management Approaches, Indicators, Categories: Economy, Category: Environment, Category: Social) (Alifah & Harto, 2022). The calculation formula for CSR disclosure according to (Alifah & Harto, 2022) is follows:

$$CSR_i = \frac{\sum X_{yi}}{n_i} \times 100\%$$

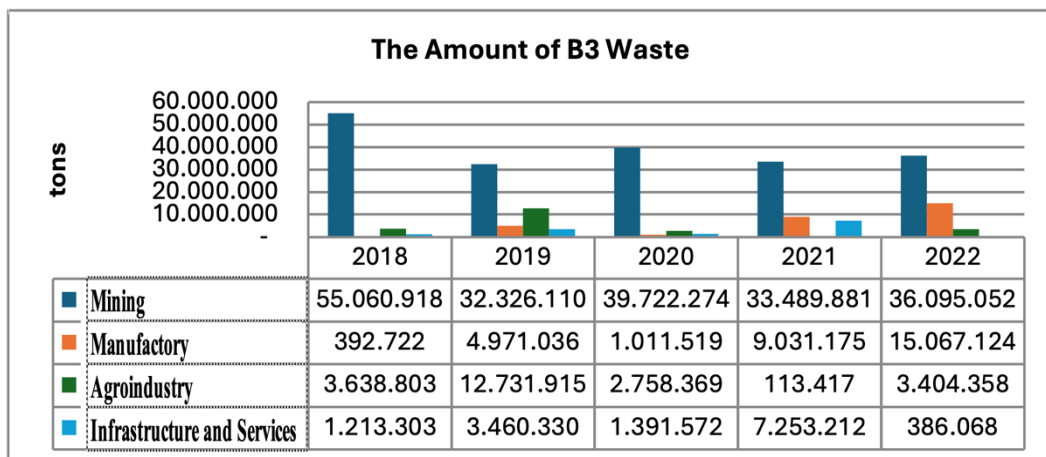
Information:

- $\frac{CSRI_i}{\sum X_{yi}}$  = Corporate CSR disclosure index.
- $\sum X_{yi}$  = number of items fulfilled, (1 = if the item for the CSR indication is shown, 0 = if there is no disclosure of the CSR indicator item).
- $n_i$  = quantity of goods for the company i,  $n_i \leq 91$ .

Managerial ownership uses indicators used to measure managerial ownership is the percentage of the number of shares owned by management from the total outstanding share capital of the company. The formula used according to (Purnamasari & Tashya, 2023) is as follows:

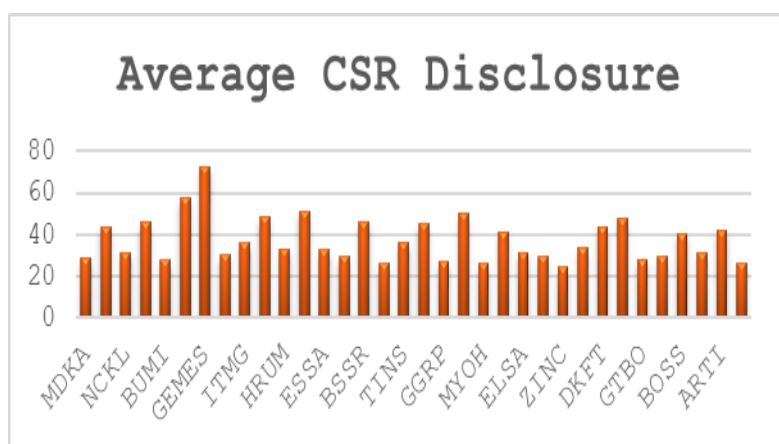
$$\text{Managerial Ownership} = \frac{\text{Number of Shares Owned by Management}}{\text{Number of Shares Outstanding}} \times 100\%$$

The following data relates to sectors that have the largest amount of Hazardous and Toxic Materials (B3) waste in Indonesia in the last five years:



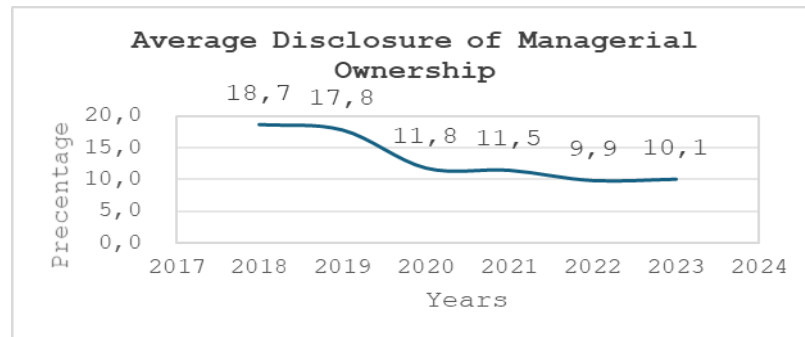
**Figure 1.** Comparison of the amount of B3 waste in 2018-2022  
 Source: Directorate General of Waste, and B3 Management. Data processed by the Author (2025)

The following data relates to CSR disclosure in mining sector companies as a reference to see how CSR disclosure has been carried out by mining sector companies:



**Figure 2.** Average disclosure of corporate social responsibility in mining sector companies 2018-2023  
 Source: Data Processed by the Author (2025)

The following data is the average disclosure of managerial ownership in companies in the mining sector:



**Figure 3.** Average Managerial Ownership Disclosure 2018-2023

Source: Data Processed by the Author (2025)

### 3. Result and Discussion

The secondary data used in this study came from the annual and financial reports of mining businesses that are listed on the Indonesia Stock Exchange (IDX). The sample taken in this study amounted to 60 samples for 6 years, namely from 2018 to 2023, accessible via [www.idx.co.id](http://www.idx.co.id), the Indonesia Stock Exchange's official website. The research sources were taken from articles, journals, previous research, and other relevant sources. Corporate Social Responsibility and Managerial Ownership are the pertinent facts for this study. The independent variable of management ownership and the dependent variable of corporate social responsibility are displayed using descriptive tests. Sixty (60) samples were collected from 10 companies during the six-year period, which ran from 2018 to 2023, based on the findings of the descriptive test. The following is a discussion of the research based on the analysis's findings: According to the study's hypothesis, corporate social responsibility is influenced by managerial ownership. The findings of the partial test used for the hypothesis testing showed a significance value of  $0.001 < 0.05$  and a t-value of  $-3.343$ , which is higher than t-table 2.002. According to these findings, it is appropriate for management ownership (X) to have an impact on Corporate Social Responsibility (Y) in the mining sector that was listed on the IDX between 2018 and 2023.

#### The IDX's Mining Companies' Corporate Social Responsibility Overview for the Years 2018–2023

The corporate social responsibility variable at PT Golden Energy Mines Tbk (GMS) has the greatest value (max) of 82.42, according to the findings of the descriptive statistical analysis, the average corporate social responsibility score is 45.60 with a standard deviation of 14.91, while the lowest number (min) for PT Indo Tambangraya Megah Tbk (ITMG) is 12.09. The median value from 2018-2023 was 45.6 from the total sample of mining companies, the number of companies reporting their CSR more than 45.6 was 48.3% and the rest were samples that disclosed CSR below average. With this value, it can be described that the average CSR reporting in mining sector companies is said to be low because, as stated by the Global Reporting Initiative (GRI), the criteria used to calculate the proportion of CSR are good, namely between 80-100% reporting level. With a value of 48.3%, this sector shows low CSR reporting, which is in line with the phenomenon that occurred in this study which shows that in the mining sector, this sector has minimal corporate social responsibility reporting.

#### The IDX's Mining Companies' Managerial Ownership Overview for the Years 2018–2023

The findings of the descriptive statistical analysis indicate that, with an average managerial ownership value of 0.13 and a standard deviation of 0.15, the independent variable of managerial ownership has the highest disclosure value (max) at PT Mitrabara Adiperdana Tbk (MBAP) of 0.89 and the lowest disclosure value (min) at PT Harum Energy Tbk (HRUM) of 0.01. The average value from 2018-2023 is 0.13 from the entire sample of mining companies. Following the standards for measuring managerial ownership, it is said that companies in the range of 5-15% are considered a good indication. As many as 53.3% of companies have a good level of managerial ownership, while the rest are companies whose managerial ownership is less or more than the managerial ownership standard.

## Hypothesis Testing Results

### t-Test

The results of the t-test on managerial ownership provide a calculated t value of -3.343 which is greater than the t table of 2.002 and a significance value of 0.001 <0.05. Based on these results, it can be stated that managerial ownership partially influences corporate social responsibility.

## 4. Conclusion

This study analyzes the relationship between managerial ownership and Corporate Social Responsibility (CSR) in mining sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2018-2023. Based on the results of the study, it was found that the degree of CSR disclosure is significantly impacted by managerial ownership. This result suggests that the degree of CSR disclosure decreases with increasing managerial ownership. The agency theory, which holds that greater managerial ownership might lessen conflicts of interest and raise awareness of business sustainability, is not consistent with this outcome. On the contrary, in the context of the mining sector, managers who own significant shares tend to focus more on personal financial interests than CSR transparency. This study demonstrates that generally speaking, the mining industry still has a comparatively low degree of CSR disclosure, with an average of 45.6%, far below the standards set by the GRI, which is 80-100%. This shows that many companies in this sector are still lacking in reporting and implementing CSR, even though regulations have regulated corporate obligations towards social and environmental responsibility. The statistical test results indicate that managerial ownership significantly affects CSR disclosure in the mining industry, with the t-value of -3.343 being more than the t-table of 2.002 with a significance of 0.001 < 0.05.

This study supports the hypothesis that managerial ownership influences CSR, but with a negative relationship. The implications of this study indicate that regulation and supervision of CSR practices in the mining sector need to be strengthened so that companies not only comply with legal requirements but also increase transparency in CSR reporting. Investors and stakeholders need to consider the managerial ownership structure in assessing a company's commitment to social and environmental responsibility. This study closes a gap in the literature that previously produced contradictory findings and advances scholarly knowledge of the connection between managerial ownership and CSR. It is advised that more research be done to examine additional variables that could influence CSR disclosure, such as institutional ownership, corporate governance, and sustainability policies implemented in each company.

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