EFFECT OF BOARD OF DIRECTORS SIZE, BOARD OF DIRECTORS CHARACTERISTICS, OWNERSHIP STRUCTURE, AND COMPANY SIZE ON THE QUALITY OF SUSTAINABILITY REPORTING DISCLOSURES

Dwi Setiawan ¹
Agustin Fadjarenie ²
Lin Oktris³
¹,²,³ Mercu Buana University, Jakarta Indonesia
*e-mail: 55519110013@student.mercubuana.ac.id, agustin.fadjarenie@mercubuana.ac.id, lin.oktris@mercubuana.ac.id
*Correspondence: 55519110013@student.mercubuana.ac.id

Submitted: March 05th 2023  Revised: March 14th 2023  Accepted: March 25th 2023

Abstract: This study aims to analyze the quality of Sustainability Reporting disclosures and test the factors that influence them. The quality of Sustainability Reporting disclosures is identified using content analysis techniques based on the GRI Standards. GRI Standards is the latest guideline launched by the Global Reporting Initiative which became effective in 2018 in Indonesia. Factors influencing the quality of Sustainability Reporting disclosures were tested using quantitative methods of multiple regression analysis. This study used 36 samples obtained through purposive sampling from infrastructure sector companies listed on the Indonesia Stock Exchange that disclosed sustainability reporting for the 2016-2021 period. The results showed that the quality of sustainability reporting in Indonesia is still relatively low at 17.41%. This implies that voluntary sustainability reporting disclosures make companies less motivated to make in-depth disclosures. The number and characteristics of the company’s board of directors have a significant influence and the ownership structure and size of the company have a significant positive influence on the quality of sustainability reporting.

Keywords: sustainability reporting quality; corporate governance; company size; board of directors.

DOI: 10.59141/jrssem.v2i08.404  https://jrssem.publikasiindonesia.id/index.php/jrssem
INTRODUCTION

At this time the company is required to be able to continue to compete and implement the established strategy (Ariana, 2016). One of the ways that companies do this is by carrying out activities that provide benefits not only for the company but have a positive impact on stakeholders (Pratiwi et al., 2020). In the form of financial reporting, it is considered that stakeholders are not enough to be the main source of information for them, so non-financial reports are needed to provide more comprehensive information (Fischer, 2016). One form of non-financial report is the sustainability report, this report contains information related to the economy, environment, and corporate society that can be used as a tool for achieving legitimacy in society (Ching et al., 2017).

Globally, business entities have responded to the importance of sustainability reporting through the disclosure of the Sustainability Report (Ariana, 2016). Since 2002 the trend of publishing sustainability reporting in the world has increased every year, as of 2020 a total of 80% of companies have published sustainability reporting (KPMG, 2020). Even the improvement of the corporate governance system has also begun to be carried out by business people in Indonesia, along with the need for reports on environmental, social, and good governance performance in an accountable manner to stakeholders in reviewing a company. According to the 2015 Global Investor Survey (CRMS, 2022), the quality of the company's Sustainability Report in Indonesia is still considered minimal when compared to other neighboring countries regarding non-financial information from companies for investors. The survey assessed that Thailand ranks first in the quality of CSR implementation with 56.8 out of 100 points followed by Singapore and Indonesia with 48.8 and 48.4 out of 100 points. Quality assessment criteria are sourced from indicators of the Global Reporting Initiative (GRI) framework covering economic, environmental, and social (Asean CSR., 2016).

The form of government support for reporting sustainability disclosures is contained in Law Number 40 of 2007 concerning Limited Liability Companies article 1 paragraph (3) which states that universities have the responsibility to contribute to the social and environmental sector or Corporate Social Responsibility (CSR). The regulation also explains that Social and Environmental Responsibility aims to realize sustainable economic development to improve the quality of life and the environment that is beneficial to the company itself, the local community, and the community in general (Situmorang & Hadiprajitno, 2017b). Balanced and harmonious conditions on the three bottom lines (Profit, People, Planet) are the intention of the Government so that the company can carry out its obligations to stakeholders.

Other regulations that support the government are contained in the Financial Services Authority Regulation Number 51/POJK. 03/2017 concerning the implementation of sustainable finance for financial service institutions, issuers, and public companies that organizations are
required to be responsible for corporate social responsibility, as a commitment to business activities and decisions, to contribute positively in the long term (OJK, 2017) Form of responsibility in the form of Sustainability Report namely reports announced to the public that contains the economic, financial, social, and environmental performance of a Financial Services Institution, Issuer, and Public Company in running a sustainable business. Meanwhile, the whistleblower is a public company, issuer, and Financial Services Institution (LJK), as stated in the regulation that the submission is submitted to the Financial Services Authority every year (OJK, 2017).

The Global Reporting Initiative (GRI) is a non-governmental organization that develops and disseminates the Global Revenue Reporting Sustainability Standard. GRI played a role in developing the standard guidelines for Sustainability Report. In its development, GRI has launched the GRI G1, GRI G2, GRI G3, GRI G3.1, GRI G4, and GRI Standards reporting guidelines. The difference between GRI Standards and GRI G4 is related to 2 specific indicators that are "discontinued" and a total of 42 revised. GRI Standards still emphasize the issue of gender equality and value chain involvement in every aspect of sustainability as well as materiality and boundaries are still the basis for determining the content of the report.

Good Corporate Governance is the foundation for the formation of the Company in shaping the company's system, structure, and culture. According to PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises including Transparency in information disclosure, accountability, accountability by sound corporate principles, independence of company management without conflict of interest, and fairness in the interests of stakeholders (BPHN,2011). Implementation of Governance Corporate the Good in Supervisory Agency Finance and Development (BPKP) is commitment, rules main, and implementation of practices business healthy and ethical. Implementation Corporate Governance Good this is one way to avoid conflicts and differences in interests so the organization must l be managed so that inflicting losses on parties (BPHN, 2011).

The attention of stakeholders in paying attention to non-financial aspects of company reports makes an organization motivated in pursuing a strategy management company professionally based principles of transparency, accountability, responsibility answer, independence, reasonableness, and equality. Sustainability Report practices are influenced by several factors. Previous research has stated that CSR disclosures can be influenced by several things, namely the composition of the board of directors (which outlines the factors in more detail on the board size, the diversity of the proportion of directors and independent boards), the ownership structure and the size of the company (Ahmed Haji, 2013); Rouf and (Rouf & Hossan, 2021).

A larger size or number of boards of directors in board of directors can contribute to the effectiveness of its monitoring because the larger board
provides diversity in terms of expertise and more multiple to observe management (Rouf & Hossan, 2021). Research (Hamad et al., 2020) found that the size of the board directors affects disclosure report. So a large number of board members makes it easier to get involved in all disclosure issues, due to different expertise in different areas.

The characteristics or experience of the board of directors found that the effectiveness of the board positively affects the transparency of sustainability reports. The results of the study (Garcia-Torea et al., 2016) imply that directors must have experience and company-specific functional and specific skills to improve the effectiveness of the board. He such extensive insight and experience as a reliable and respected leader and has a proven track record during his leadership.

The public ownership of a company is influenced by stakeholders. The high level of public ownership indicates that the level of public trust increases along with the company's activities. The results of the study (Zhang et al., 2022) show that the public shareholding structure plays a role in the implementation of CSR. This is shown by the larger the ownership structure owned by the public, the more motivation in encouraging the implementation of CSR by the company will be more effective.

Size Company is an of scale that can be calculated with the total asset rate and the sale which can indicate the conditional company where a company is larger will have an excess in the source funds obtained for run its company in earn profit. Research (Garcia-Torea et al., 2016) that the size of a company must operate in a way that is profitable or, at least, not detrimental to the community to get support from their stakeholders. This indicates that the size of the company is needed to increase the company’s assets as a form of achieving optimal performance in maintaining the sustainability of the company.

One of the indicators important to know the condition of the economy in a country in a certain period is the data derived from Product Gross Domestic Product (GDP). GDP is essentially the sum of value added generated by all business units in the country.
Based on the (Economics, 2023) diagram information above, it can be seen that Indonesia's GDP growth rate from 2019 to 2022 has changed quite volatily. Even in the second quarter of 2020, it decreased by -5.32 until the first quarter of 2021 by -0.71.

The figures shown are in line with the government's plan during the leadership of President Joko Widodo for the 2014-2019 period that infrastructure is the driving force of economic growth and this is important because Indonesia is currently focusing to spur economic growth nationally. The government Jokowi-JK period 2014-2019 gives priority to an acceleration of development infrastructure which is contained in Nawacita's sixth agenda "Increasing People's Productivity and Competitiveness in International Markets. In Nawacita the six contains a plan for the construction of infrastructure in the form of new roads, ports, airports, industrial l areas, and so on. To fulfill the sixth agenda, infrastructure development is carried out massively. (Central Statistics Agency, 2019) Global Competitiveness Report, World Economic Forum assessed that the quality of Indonesia's infrastructure rose from a total score of 4.2 in 2017 to 4.5 from a score of 1-7 in 2018. Indonesia's infrastructure development also ranked on the Global Competitiveness Index Indonesia up from rank 41 in 2017 to rank 36 in the year 2018.

The availability and access to infrastructure have an impact on the welfare of the community. With the availability of good infrastructure in terms of quantity and quality that can be easily accessed by the public, human development will be able to continue to be improved. Therefore, infrastructure development that is a government program can be monitored and monitored through sustainability reporting to support...
the creation of balance and harmony (profit, people, planet).

This study outlines in more detail the relationship between the size of the board of directors, characteristics of the board of directors, the structure of ownership, and the size of the company to the quality of disclosure of sustainability reporting sourced from companies listed on the Indonesia Stock Exchange. The use of infrastructure company reports is considered to be in line with government targets as stated in Presidential Regulation Number 38 Year 2015 concerning Government Cooperation with Business Entities. It is hoped that can help the achievement of target investment in infrastructure in the country.

Based on the above, this study entitled “The Effect of Board of Directors Size, Board of Directors Characteristics, Ownership Structure and Company Size on the Quality of Sustainability Reporting Disclosures (empirical study on infrastructure companies listed on the IDX in 2016-2021).

THEORETICAL FRAMEWORK USED

Legitimacy theory

The theory of legitimacy according to (Dowling & Pfeffer, 1975) states that a company will seek to do legitimacy and strengthen the relationship established in a social environment in the place where the company operates so that if the legitimacy of a company is not accepted by the community due to the company not complying with the provisions the it has been predetermined then the legitimacy of this can be withdrawn at any time. Therefore, the company must comply with the applicable provisions so that the operation of the company can run well.

Stakeholder Theory

This theory first was initiated in the theory of strategic management: A Stakeholder Approach (Freeman, 2010) which states that prosperity and the success of a company depend largely on the ability of the company itself by aligning the various interests of the stakeholders. The existence of a circumstance (law) that benefits the interests of shareholders and conversely, numbers the interests of suppliers, customers, employees, and the surrounding community.

Sustainability Reporting

The quality of disclosure sustainability (Sustainability Reporting) will be in line with the value of a company. This means that high-quality Sustainability Reporting will help raise the value of the company. The quality of Sustainability Reporting can be determined by the standard used to compile the report. According to (Loh, 2016) companies that use the standard from GRI as guidelines for compiling it will have a higher quality (Rofelawaty, 2014).

Size of the Board of Directors

Corporate governance practices differ between companies because they usually arise from differences in legal, institutional, social, regulatory, and social contexts. According to (Adel et al., 2019) that the board of directors is appointed as an internal instrument of the company which has two functions, namely the control function and the assistance of company managers. According to (Mohammadi et al., 2021) that the number of boards of directors has a significant impact on CSR disclosures.

Characteristics of the Board of Directors
The Board of Directors’ profile is a key element of the board’s composition. Companies get better results when acquiring other companies if their directors have special experience in the industry. The characteristics of the board of directors determine the effectiveness of the board of directors in achieving the objectives of the role of the organization (Garcia-Torea et al., 2016)

Ownership Structure
According to (Jizi et al., 2014) public ownership (ownership diffusion) is the proportion of share ownership owned by the public that has no relationship with company management of company shares below 15%. Companies that have high ownership diffusion will get more encouragement in disclosing corporate social responsibility.

Company Size
The Board of Directors is responsible for the Financial Statements of the Company. The size of the company can be determined by various values such as total assets, sales, capital, profits, and so on, this value can determine the size of the company (Moeljono, 2004).

Table 1. Variable Measurement Indicator

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Size of the Board of Directors</td>
<td>Size of the board of directors = ( \sum ) members of the board of directors</td>
</tr>
<tr>
<td>2</td>
<td>Characteristics of the Board of Directors</td>
<td>Characteristics of the board of directors = length of experience of the board of directors</td>
</tr>
<tr>
<td>3</td>
<td>Ownership Structure</td>
<td>Ownership Structure = Public share ownership</td>
</tr>
<tr>
<td>4</td>
<td>Company Size</td>
<td>Company Size = ( \ln(\text{Total Aset}) )</td>
</tr>
<tr>
<td>5</td>
<td>Sustainability Reporting</td>
<td>given a score of “1” for items that are disclosed and “0” if not disclosed</td>
</tr>
</tbody>
</table>

Research Hypothesis
The Effect of Board of Directors Size on Disclosure Quality of Sustainability Reporting
From a stakeholder theoretical perspective, larger boards include members of a more diverse stakeholder group who can argue for the inclusion of more multidimensional factors in sustainability reporting practices (Kathy Rao et al., 2012). These results are in line with several previous studies which gave positive results between the size of the board of directors and the quality of disclosure of sustainability reporting (Qa, 2019; Samaha et al., 2015; Jizi et al., 2014; Mohammadi et al., 2021; Samaha et al., 2015).

H1: There is a positive influence between the size of the Board of Directors and the quality of disclosure of Sustainability Reporting on the Company’s Infrastructure that is listed on the IDX during the 2016-2021 period.

The Effect of Characteristics of the Board of Directors on the Quality of Disclosure of
Sustainability Reporting

Effects of Characteristics of the Board of Directors on Disclosure Quality of Sustainability Reporting study indicated that the need for a better understanding of the board of directors determines the effectiveness of the board (Garcia-Torea et al., 2016).

H2: There is a positive influence between the influence Characteristics of the Board of Directors and the quality of Sustainability Reporting disclosures on Infrastructure Companies listed on the IDX for the 2016-2021 period.

Effect of Ownership Structure on Disclosure Quality of Sustainability Reporting

Based on legitimacy theory, companies are part of society. When carrying out their operational activities, companies need support from the community and information related to sustainability as a form of corporate responsibility to the community and the surrounding environment (Situmorang & Hadiprajitno, 2017b).

Differences in the proportion of shares owned by outside investors can affect the completeness of the disclosure by the company. (Khan et al., 2013) revealed that when a company starts to go public, then its direct accountability to the public becomes very important. The existence of share ownership by the general public will put pressure on the company to disclose additional information relating to the visibility and accountability of the company to a large number of stakeholders (Qa, 2019). Therefore, the more parties who need information about the company, the more detailed information requested, and thus the disclosure will be wider.

H3: There is a positive influence between the influence of Ownership Structure and the quality of Sustainability Reporting disclosures on Infrastructure Companies that are listed on the IDX for the 2016-2021 period.

The Effect of Company Size on the Quality of Disclosure of Sustainability Reporting

Based on stakeholder theory, companies that have been established for a long time will have greater trust from stakeholders than companies that have not been established for a long time (Wijayana & Kurniawati, 2018b) so that stakeholders have higher expectations that must be realized by companies related to high-quality sustainable reporting disclosures. Apart from that (Adel et al., 2019) also state that larger companies are expected to have more capital and resources to engage in socially responsible practices and activities. Company size shows a positive effect on the disclosure of corporate sustainability reporting in research (Bhatia & Tuli, 2017); (Correa-Garcia et al., 2020); (Garcia-Torea et al., 2016); (Giannarakis, 2014).
H4: There is a positive effect between the effect of company size and the quality of Sustainability Reporting disclosures on infrastructure companies listed on the IDX.

**MATERIALS AND METHODS**

**Sample Classification**

The determination of the sample in this study is based on the purposive sampling method, where the sample of companies is selected based on the annual report and sustainability report criteria respectively, using the rupiah currency. The population of infrastructure companies during the 2016–2021 period and published complete financial reports, so there were 36 samples in this study.

**Research Data**

Data collection techniques aim to obtain the data needed in a study. In this research, data collection was carried out in two stages. The first is with library research, namely through journals or previous research and books related to the problem being studied. The second stage is the collection of secondary data that has been provided by the Indonesia Stock Exchange in 2016–2021. This research uses SPSS software for data processing.

**Variable Operational Definitions**

**Disclosure Quality of Sustainability Report**

The research was conducted to measure this variable by using (Rouf & Hossan, 2021) in published sustainability reports. In line with research, the researcher measures this variable using a dummy that will be given 1 if there is disclosure, and vice versa is given 0 if there is no disclosure.

**Size of the Board of Directors**

Research conducted by (Adel et al., 2019) measures this variable by using the Number of Boards of Directors in an
organization in that period. Similar to what was done by (Mohammadi et al., 2021), (Garcia-Torea et al., 2016), (and Hamad et al., 2020). In line with the research, the researcher measures this variable using the total number of directors.

**Characteristics of the Board of Directors**

Research conducted by (Garcia-Torea et al., 2016) measures this variable by using the average percentage of members of the Board of Directors during the period who have the same industry background. In this study, the researcher measures this variable by using the average experience of members of the board of directors in the same industry.

**Ownership Structure**

Research conducted by (Adel et al., 2019) measures this variable by using the proportion of shares owned by the public that have no relationship with the company's management of company shares below 5%. In this study, the researcher measures this variable by using the sum of stock ownership of 5% or more.

**Company Size**

Research conducted by (Adel et al., 2019) measures this variable by using Company Size in an organization in that period. Similar to what was done by (Garcia-Torea et al., 2016), (and Hamad et al., 2020). In this study, researchers measure this variable by using a proxy for total assets or total assets.

\[
\text{Company Size} = \ln(\text{total asset})
\]

**Analysis Tools**

**Classic assumption test**

In this study, four classical assumption tests aimed to test and find out whether or not a regression model was feasible or not used to analyze the data in this study.

1. **The normality test**

The normality test was carried out to find out and test whether, in the regression model, the independent variables and the dependent variable are normally distributed. The normally distributed data indicates that the regression model used to analyze the data is good.

2. **The heteroscedasticity test**

The heteroscedasticity test is used to test whether there is a similarity in the variance of the residuals from one observation to another. If there is a similarity, it is called homoscedasticity and if there is no similarity, it is called heteroscedasticity.

3. **The autocorrelation test**

The autocorrelation test is used to find out and test in a regression mode whether there is a correlation between the confounding errors in the current period \(t\) and the confounding errors in the previous period \(t-1\). If the resulting regression is free from autocorrelation, then the regression is said to be good. The autocorrelation test was performed using the Durbin-Watson test.

4. **The Multicollinearity test**

This test was conducted to find out and test whether a correlation was found between the independent variables and the dependent variable based on the regression model used. This test is used for research that uses more than one independent variable and can be seen by analyzing the VIF value. The regression model is said to be
multicollinearity if:
1) Tolerance value < 0.10
2) VIF value > 10

### Multiple Linear Regression Test
To test whether the independent variable used whether it affects the dependent variable, namely on the quality of SR disclosure in the Infrastructure Company report for 2016-2021. The regression equation used is as follows:

$$ Y = a + X_1 + X_2 + X_3 + X_4 + e $$

**Information:**
- $Y$: Disclosure Quality of Sustainability reporting
- $a$: Parameters
- $X_1$: Variable Size of the board of directors
- $X_2$: Variable characteristics of the board of directors
- $X_3$: Variable Ownership Structure
- $X_4$: Company Size Variable
- $e$: An error condition

### RESULTS AND DISCUSSION
**Data Analysis and Discussion**
Descriptive analysis is used to provide an overview or description related to research data. In this study, descriptive statistical analysis was grouped in 2016 – 2021. Variable categories with ordinal data types were seen using the ratio and percentage of the company sample. As for the category of variables with continuous data types, it is seen using the minimum value, maximum value, average, and standard deviation.

#### Table 2. Variable Descriptive Analysis

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of the Board of Directors (X1)</td>
<td>36</td>
<td>4.000</td>
<td>9.000</td>
<td>6.5000</td>
<td>1.055597</td>
</tr>
<tr>
<td>Characteristics of the Board of Directors (X2)</td>
<td>36</td>
<td>4.000</td>
<td>9.000</td>
<td>6.5000</td>
<td>1.055597</td>
</tr>
<tr>
<td>Ownership Structure (X3)</td>
<td>36</td>
<td>5.000</td>
<td>19.400</td>
<td>10.43697</td>
<td>4.182623</td>
</tr>
<tr>
<td>Company Size (X4)</td>
<td>36</td>
<td>.300</td>
<td>.490</td>
<td>.35797</td>
<td>.061906</td>
</tr>
<tr>
<td>Sustainability Reporting (Y)</td>
<td>36</td>
<td>14.819</td>
<td>18.639</td>
<td>17.41575</td>
<td>1.225158</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistical Data Processing

Based on table 4.2 which shows the results of the descriptive statistical test with the amount of data (N) of 36 it can be seen that the average value of the Board of Directors Size (X1) is 6.5. The average value of the Characteristics of the Board of Directors (X2) is 6.5. The average value of the Ownership Structure (X3) is 10.44. The average value of Firm Size (X4) is 0.36. The average value of Sustainability Reporting (Y) is 17.42, which means that for all samples, the quality of sustainability
reporting disclosures has an average of 17.42%, the majority of which are related to economic, environmental, and social items in infrastructure companies that are in the high profile category. Then seen from the standard deviation value of 1.225158 which means the standard deviation value is smaller than the average value (mean), it can be said that the data is homogeneous, which means the data is good because there is little variation in the data.

The minimum value of company size data is 0.3. The maximum value of company size data is 0.49. The average value (mean) is 0.35797 which means that of all samples, company size has an average value of 10.35%. The higher the percentage of company size each year, the greater the effort and ability of the company to maintain its company. With an average of 0.35%, it shows that the company can maintain its company well. Then the standard deviation value is 0.06 which means that the standard deviation value is smaller than the average value. This shows that the data is homogeneous, which means that the data is said to be good because of slight variations in the data.

The minimum value of ownership structure data (public share ownership) is 5%. The maximum value of public share ownership data is 19.4%. The average value (mean) is 10.43%, which means that of all samples, public ownership has an average of 10.43%. The higher the share ownership by the public, the higher the public trust in managing shares in the company. With an average of 10.43%, it indicates that public trust in the company is quite good. If the average public share ownership is said to be good, then investors or the public will be more interested in working with companies so that companies will improve the quality of sustainability reporting disclosures. The standard deviation value is 4.1%, which means that the standard deviation value is smaller than the average value, which means that the data is homogeneous because there are not too many variations in the data.

The minimum value of the data on the characteristics of the board of directors (experience) is 4%. The maximum value of company size data is 9%. The average value (mean) is 6.5%, which means that of all samples, the characteristics of the board of directors have an average value of 6.5%. The higher percentage of the characteristics of the board of directors each year means that the board of directors has more experience in maintaining the company and improving the quality of sustainability reporting disclosures. With an average of 6.5%, it shows that the company can maintain its company well. Then the standard deviation value is 1.0 which means that the standard deviation value is smaller than the average value. This shows that the data is homogeneous, which means that the data is said to be good because of slight variations in the data.

The minimum value of the data on the size of the board of directors (amount) is 4%. The maximum value of company size data is 9%. The average value (mean) is 6.5%, which means that of all samples, the size of the board of directors has an average value of 6.5%. The higher the percentage size of the board of directors each year, it means that the greater the ability of the board of directors to maintain the company and improve the quality of
sustainability reporting disclosures. With an average of 6.5%, it shows that the company can maintain its company well. Then the standard deviation value is 1.0 which means that the standard deviation value is smaller than the average value. This shows that the data is homogeneous, which means that the data is said to be good because of slight variations in the data.

Table 3. Multiple Linear Regression Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>t count</th>
<th>Sig t</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.346</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size of the Board of Directors (X1)</td>
<td>0.045</td>
<td>2.685</td>
<td>0.012</td>
<td>Significant</td>
</tr>
<tr>
<td>Characteristics of the Board of Directors (X2)</td>
<td>0.039</td>
<td>2.644</td>
<td>0.013</td>
<td>Significant</td>
</tr>
<tr>
<td>Ownership Structure (X3)</td>
<td>0.029</td>
<td>2.426</td>
<td>0.021</td>
<td>Significant</td>
</tr>
<tr>
<td>Company Size (X4)</td>
<td>0.019</td>
<td>2.571</td>
<td>0.015</td>
<td>Significant</td>
</tr>
<tr>
<td>F count</td>
<td>13.416</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig F</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.587</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on table 4.7 above, the calculation of multiple linear regression using the SPSS program version 21.0 for windows shows the following results:

\[ Y = 1.346 + 0.045X1 + 0.039X2 + 0.029X3 + 0.019X4 + e \]

a) Constant = 1.346
   This means that if there are no variables of Size of the Board of Directors (X1), Characteristics of the Board of Directors (X2), Ownership Structure (X3), and Company Size (X4) that influence Sustainability Reporting (Y), then Sustainability Reporting (Y) is 1,346 units.

b) B1 = 0.045
   This means that if the variable Size of the Board of Directors (X1) increases by one unit, Sustainability Reporting (Y) will increase by 0.045 assuming the other independent variables are constant.

c) B2 = 0.039
   This means that if the variable Characteristics of the Board of Directors (X2) increases by one unit, then Sustainability Reporting (Y) will increase by 0.039 assuming the other independent variables remain constant.

d) B3 = 0.029
   This means that if the Ownership Structure variable (X3) increases by one unit, Sustainability Reporting (Y) will increase by 0.029 assuming that the other independent variables remain the same.
e) \( B4 = 0.019 \)

This means that if the variable Company Size (X4) increases by one unit, Sustainability Reporting (Y) will increase by 0.019 assuming the other independent variables remain the same.

Quality Level of Sustainability Report Disclosure

Based on table 4.2, it is known that the average value of the quality of disclosure of corporate sustainability reports for 2016 – 2021 is 17.41575\%. This value indicates that the sustainability report in the infrastructure sector belongs to the category of poor quality. The quality of disclosure of corporate social information, which is still low and not good, is probably caused by several factors.

There are many aspects mentioned in the Global Reporting Initiative (GRI) disclosure standards, so companies have to collect a lot of data. This causes costs and time needed, while there are limitations to human resources in managing this. Thus, it can be concluded that there must be improvements related to corporate disclosure activities in the infrastructure sector to improve the quality of sustainability report disclosures.

The effect of the size of the Board of Directors on the quality of Sustainability reporting disclosures

Based on table 4.7, it is known that the results of statistical tests that have been carried out on the hypothesis state that the variable characteristics of the board of directors have a significant influence on the quality of Sustainability Report disclosures. The results of this study are consistent with the results of previous research that the characteristics of the board of directors determine the effectiveness of the board of directors in achieving organizational goals (Garcia-Torea et al., 2016). This is in line with the results of the current study, namely that there is a positive and significant effect of the characteristics of the Board of Directors on the Quality of Disclosure of Sustainability Reporting. This study discusses the experience of the board of directors in the ranks of infrastructure sector companies that have contributed by the principles in carrying out their duties, namely professionals. Professional, namely having integrity and having the necessary experience and skills.

Effect of Characteristics of the Board of Directors on the quality of Sustainability reporting disclosures

Based on table 4.7, it is known that the results of statistical tests that have been carried out on the hypothesis state that the variable characteristics of the board of directors have a significant influence on the quality of Sustainability Report disclosures. The results in this study are consistent with the results of previous research that the characteristics of the board of directors have a significant influence on the quality of Sustainability Report disclosures. The results of this study are consistent with the results of Giannarakis (2014). This is in line with the results of the current study, namely that there is a positive and significant effect of the characteristics of the Board of Directors on the Quality of Disclosure of Sustainability Reporting. This study discusses the experience of the board of directors in the ranks of infrastructure sector companies that have contributed by the principles in carrying out their duties,
namely professionals. Professional, namely having integrity and having the necessary experience and skills.

**Effect of Ownership Structure on the quality of Sustainability reporting disclosures**

Based on table 4.7, it is known that the results of statistical tests that have been carried out on the hypothesis state that the ownership structure variable has a significant influence on the quality of Sustainability Report disclosures. The results of this study are consistent with the results of previous research that the more concentrated ownership of shares by outsiders will provide an opportunity to monitor management activities (Qa, 2019).

Based on legitimacy theory, companies are part of society. When carrying out their operational activities, companies need support from the community and information related to sustainability as a form of corporate responsibility towards the community and the surrounding environment. (Situmorang & Hadiprajitno, 2017a) Differences in the proportion of shares owned by outside investors can affect the completeness of the disclosure by the company. (Khan et al., 2013) revealed that when a company starts to go public, its direct accountability to the public becomes very important. The existence of share ownership by the general public will put pressure on the company to disclose additional information relating to the company’s visibility and accountability to a large number of stakeholders (Qa, 2019).

This study discusses the number of public shareholdings in infrastructure sector companies that influence organizations in forming sustainability reporting disclosure reports by disclosing company activities in ensuring company sustainability. Therefore, the more parties who need information about the company, the more detailed information will be requested and thus the disclosure will be wider.

**Effect of Company Size on the quality of Sustainability reporting disclosures**

Based on table 4.7, it is known that the results of statistical tests that have been carried out on the hypothesis state that the company size variable has a significant influence on the quality of Sustainability Report disclosures. The results in this study are consistent with the results of previous research that company size can be determined by various values such as total assets, sales, capital, profits, and others, this value can determine the size of the company (Giannarakis, 2014). Based on stakeholder theory, companies that have been established for a long time will have greater trust from stakeholders than companies that have not been established for a long time (Wijayana & Kurniawati, 2018a) so that stakeholders have higher expectations that must be realized by companies regarding quality sustainable reporting disclosures. Besides that (Adel et al., 2019) also state that larger large companies are expected to have more capital and resources to engage in socially responsible practices and activities. Company size shows a positive influence on the disclosure of the company's sustainability reporting in the study (Bhatia & Tuli, 2017); (Correa-Garcia et al., 2020); (Garcia-Torea et al., 2016); (Giannarakis, 2014).
This study discusses company size in infrastructure sector companies that influence organizations in forming sustainability reporting disclosure reports by disclosing company activities in ensuring company sustainability.

CONCLUSIONS

This study aims to determine empirical evidence regarding the effect of board size, characteristics of the board of directors, ownership structure, and company size on the quality of disclosures in the Sustainability Report. From the tests that have been carried out, the following results were obtained:

1. The size of the board of directors has a significant effect on the quality of sustainability reporting disclosures. This is because a large number of boards of directors can encourage communication and coordination in the inclusion of more multidimensional factors in the practice of sustainability reporting disclosures.

2. The characteristics of the board of directors have a significant effect on the quality of sustainability reporting disclosures. This can be due to the experience that has been contributed by the principles in carrying out their duties so that it encourages the improvement of the quality of sustainability reporting disclosures.

3. The ownership structure has a significant influence on the quality of sustainability reporting disclosures. This can be because the ownership of shares by the general public will put pressure on companies to disclose sustainability reporting based on criteria to stakeholders.

4. Company size has a significant effect on the quality of sustainability reporting disclosures. This is because the larger the company, it is expected to have more capital and resources to engage in responsible practices and activities.

Based on the results of the discussion and conclusions, the following suggestions can be given:

Based on research data, the disclosure of sustainability reporting does not yet reflect the efforts of infrastructure sector companies to disclose quality and professional sustainability reporting.

Based on the results of the study which show that the influence of the variables in this study on the quality of sustainability reporting disclosure is 58.7%, the remaining 41.3% is influenced by other variables not examined. Therefore, for future researchers to study and examine other variables that can affect the quality of sustainability reporting disclosures.

REFERENCES


Asean CSR. (2016). *Asean CSR - Riset Temukan Kualitas CSR Perusahaan Indonesia Rendah.* Asean CSR.


